

**SUPPLY AND SERVICE
INSTALLATIONS
AND
ACTIVITIES**

PHYSICAL INVENTORY

HEADQUARTERS
UNITED STATES ARMY MATERIEL COMMAND
WASHINGTON, D.C. 20315

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No. 780-1*

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SUPPLY AND SERVICE INSTALLATIONS AND ACTIVITIES

PHYSICAL INVENTORY


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CHAPTER 1

INTRODUCTION

1-1. Purpose. This regulation implements AR 780-45 and prescribes a standard method for taking physical inventories of stocks.

1-2. Scope. a. This regulation applies to Headquarters, U.S. Army Materiel Command (AMC); AMC major subordinate commands (including subordinate installations and activities), except the United States Army Test and Evaluation Command (USATECOM), to include:

- (1) National inventory control points (NICP's).
- (2) Accountable supply distribution activities (ASDA's) as defined in AR 320-5.
- (3) Storage depots and depot activities.

b. This regulation applies only to mission stocks.

1-3. Basic policies. a. Physical inventory and inventory reconciliation will be accomplished on an open "business-as-usual" basis; i.e., the inventory processes will be conducted concurrently with other primary missions so as not to interfere or delay the physical receipt, receipt reporting, or shipment of items being inventoried. However, intradepot movements of items under inventory control, which do not relate to receipts or shipments, e.g., rewarehousing, routine care and preservation, bin replenishment, will be restricted to the extent possible for those items under inventory control.

b. The standard level of accuracy to be maintained for Army inventories is established at 95 percent and will be computed on the basis of major discrepancies as defined in paragraph 1-4c.

c. To insure effective controls specified within this regulation are maintained over submission of requests to depots for inventories, the following policies will be adhered to by NICP's.

- (1) A central organizational element will be established or designated by each NICP to schedule and request all types of inventories from depots. NICP personnel, e.g., item managers, program managers, etc., will not be permitted to request inventories of depots without routing requests through the central control organization.

(2) Authorization to initiate special inventory requests will be limited to specific individuals within the central inventory activity of the NICP.

(3) Approval will be requested by NICP's from Headquarters, AMC, prior to initiating any special inventory program utilizing procedures different from those contained in this regulation or which impose a workload on depots in excess of the depot's maximum stated physical inventory capability.

d. Each minor secondary item and repair part as defined in AR 710-45 will be assigned a code to designate the popularity group to which it belongs. Codes will be developed and broadcast by NICP's as specified in paragraph 3-1 and appendix B-1.

e. Physical inventories of Army-managed materiel stored at Army depots will be performed at frequencies in accordance with the following criteria:

(1) Super-high-dollar-value items as defined in AR 710-45, all items assigned special controlled item codes 1 through 8 as prescribed in AR 700-1, and MAPOM (MAP-owned materiel) items as identified in the DOD Military Assistance Manual¹ will be formed into inventory lots and inventoried completely at least once annually.

(2) Items other than those in (1) above, comprising high or medium popularity groups as defined in appendix B-1 will be inventoried by statistical sampling methods annually to determine if complete inventory of these items is required.

(3) Items other than those in (1) above, comprising low popularity group items as defined in appendix B-1, will be inventoried by statistical sampling methods once each 3 years, as a minimum, to determine if complete inventory of these items is required.

(4) Items comprising inventory lots which fail to meet the prescribed estimated accuracy level when inventoried by statistical sampling methods will be scheduled for complete inventory by the NICP.

(5) Specific items, designated by the NICP as requiring complete inventory in lieu of inventory by statistical sampling, may be formed into inventory lots and scheduled for complete inventories on a quarterly basis within the capability reported by depots.

¹Requests for copies of this manual may be forwarded to the Commanding General, AMC, ATTN: AMCIL-A.

f. Personnel assigned to inventory activities will be highly trained and proficient in inventory and related skills.

g. Inventories for Defense Supply Agency (DSA) materiel will be processed in accordance with AR 735-110 (DSAM 4140.2).

1-4. Definitions. Terms used in this regulation and not defined in AR's 320-5 or 725-50 are as follows:

a. Popularity group code. A coding structure, as prescribed in appendix B-1, designed to show correlation between average quarterly demand and annual sales range within the continental United States (CONUS) supply system for purposes of expressing the relative popularity of an item.

b. Set-aside balances. Item balances summarized by stock number and condition code as of a predetermined point in time for the purpose of comparing quantitative records with the physical count of stock in storage locations, or comparing custodial and accountable record balances. May also be referred to as summary balances.

c. Inventory discrepancy. The difference between the physical quantity in storage and the recorded stock balance. Discrepancies will be classified as follows for lot sample evaluation purposes:

(1) Minor discrepancy. When the total value for the Federal stock number (FSN) of the item overage or shortage does not exceed \$100 and the item quantity variation does not exceed 10 percent of the recorded balance or the item quantity variation exceeds 10 percent but the dollar value of the discrepancy does not exceed \$25.

(2) Major discrepancy. When the total value for the FSN of the item overage or shortage exceeds \$100 or item quantity variation exceeds 10 percent of the recorded balance and the dollar value of the quantity variation exceeds \$25.

d. Reconciliation. Action necessary to identify correctly the amount of a discrepancy, as well as the action necessary to bring into agreement balance records and physical assets on hand.

1-5. References. AMCR 18 series regulations cited below and throughout this regulation are applicable only to AMC computer-equipped installations. These documents will not be requisitioned by other AMC installations.

AMCR 780-1

a. DOD Military Assistance Manual.²

b. AR's 320-5, 700-1, 710-45, 725-50, 735-5, 735-110,
and 780-45.

c. MIL-HDBK-53.

d. AMCR's 18-0131-1-5, 18-0160-1-5, 18-0201-1-5,
18-0202-1-5, 18-0312-1-5, 18-0315-1-5, 18-0342-1-5, 18-0345-1-5,
18-0348-1-5, 18-0351-1-5, 18-0354-1-5, 18-0360-1-5, 18-0363-1-5,
18-0372-1-5, 18-0375-1-5, 18-0378-1-5, 18-0801-1-5, 18-0816-1-5,
711-3, 725-3, 725-7, and 740-3.

footnote 1, page 1-2.

CHAPTER 2

GENERAL INFORMATION

Section I. PHYSICAL INVENTORY--CLASS II AND IV GENERAL SUPPLIES

2-1. Inventory capability. The conduct of inventories, both scheduled and special, will be based on the inventory workload capability existing within each depot. This capability will be determined by known standards and will be broadcast by depots to national inventory control points (NICP's) quarterly to reflect the inventory capability for the ensuing quarter. Volumes for each NICP will be derived from the percent of line items stored for that NICP in relation to the total line items stored.

2-2. Inventory categories. The type of inventory methods to be used to accomplish inventories will be established by NICP's based on the type of items involved, estimated error rates between balance records and actual stock on hand, workload capabilities, and the urgency of the inventory requirement. Upon accomplishing these determinations, items or groups of items to be inventoried will be assigned one of the following categories by the NICP's:

a. Category I--sample evaluation inventory. A Federal supply classification (FSC), group of FSC's, or range of stock numbers formed into an inventory lot to be inventoried by statistical sampling evaluation techniques by the depot. Inventory lots within this category, having an estimated accuracy level of 95 percent determined by sampling methods, will be considered acceptable and exempt from further inventory for a 12-month period, unless deemed necessary by the NICP. Lots not meeting the acceptable accuracy level will be scheduled for complete inventory by the NICP.

b. Category II--complete inventory. Specific items, FSC's, groups of FSC's, or a range of stock numbers to be completely inventoried by the depot. Stock numbers scheduled for inventory within this category may consist of inventory requirements generated as a result of storage denials, zero balance records, location audit discrepancies, or complete inventory of lots which failed when the sample was inventoried. Inventories in this category will also include those items requiring complete inventory annually, as specified in paragraph 1-3e(1), as well as other special requirements, e.g., all FSN's of a special system/project, back order stock numbers, critical items. Statistical sample evaluation methods will not be used for inventory of items within this category.

c. Category III--Special inventories directed to depots because an urgent requirement exists to obtain an immediate physical count of an item in a storage location; e.g., the stock records reflect a zero balance and the NICP is requesting the inventory to satisfy a RED BALL or high-priority requisition (02-08). Inventories requested via this category will be restricted to 5 percent of the computed prorated inventory capability determined by depots for each NICP.

2-3. Inventory priority schedules. Based on quarterly inventory capabilities reported by depots and determination of inventory requirements, NICP's will furnish inventory priority schedules to depots. The purpose of the priority schedule will be to enable the NICP to establish priorities for accomplishing inventories of particular items or groups of items within both NICP and depot workload capabilities.

2-4. Special inventory of Army-owned materiel. Special inventories will be initiated under category II or category III type inventories by NICP's when the following conditions exist:

a. A materiel release denial (MRD) card (DD Form 1348m, DOD Single Line Item Requisition System Document (Mechanical)) is received with management code Y in card column 72, or a potential credit balance occurs on the accountable records, and research of the daily transaction register (DTR) reveals the discrepancy cannot be resolved to the satisfaction of the accountable officer. These inventories will be initiated, as required, to verify and adjust accountable records.

b. The recorded balance for assets in all serviceable condition codes reaches zero and 15 days have elapsed since the date of last activity (DOLA), a back order is established for the item, and 90 days have elapsed since the date of last inventory (DOLI).

c. The conduct of a location record audit, as prescribed by AMCR 740-3, reveals a recorded location for an item and there is no recorded balance or conversely there is a recorded balance and no recorded location.

2-5. NICP/depot reconciliation. a. Reconciliation of accountable supply distribution activities (ASDA's) accountable records with SPEED (system-wide project for electronic equipment at depots) depot custodial records will be accomplished when custodial records for inventory lots meet or exceed an estimated accuracy level of 95 percent as determined by sample evaluation, or after conclusion of a complete inventory of the lot(s).

b. Reconciliation of ASDA's accountable records with PEED depot in-float documentation and inventory count entries will be accomplished by the NICP immediately upon receipt.

Research incident to physical inventory discrepancies. Incident to adjustments to custodial record quantities resulting from inventory discrepancies, the depot inventory activity will conduct a thorough research to attempt to find postings, incomplete transactions, unposted documents, duplicate actions, or other errors which caused the custodial record to inaccurately reflect assets on hand. Correction of detectable errors will insure that no actual loss of property has occurred. Research actions required may include but are not limited to:

a. Review of transactions to insure preinventory and inventory transactions were properly posted and considered in inventory.

b. Review of count card entries to determine if count omission or keypunch errors were made.

c. Review of locations counted and recently deleted locations to determine if all locations were counted or errors in location records which may have caused the discrepancy.

d. Review of transaction registers to identify duplicate documents, erroneous or incomplete reclassification treatments, stock number changes, materiel release denials, which may enable reconciliation of discrepancies.

e. Review of source documents for unposted transactions (receipts, issues, adjustments, etc.) or differences between original and the posted transactions.

Adjustment processing. Adjustments resulting from inventory will be processed to custodial and accountable records, appropriate, as prescribed by AR 735-5 and AMCR 711-3, on a timely basis not to exceed 5 calendar days from the date the inventory reconciliation was accomplished or results of special inquiries are received.

Physical inventory incident to reidentification adjustment. In addition to the requirements for physical inventory outlined within this regulation, a physical inventory will be taken of stock involved in all reidentification adjustments. Physical inventory count documents (DD Form 1 (DOD Physical Inventory Document)) reflecting counts in various conditions will accompany the reidentified materiel.

adjustment documents (DD Form 1487 (DOD Materiel Adjustment Document)) submitted to the accountable activity.

2-9. Transaction histories. a. Transaction histories required in the investigation of inventory discrepancies will be accomplished by manual or mechanical methods, depending on the availability of automatic data processing equipment.

b. AMC Form 1635 (Investigation Request/Transaction History) will be the standard media for the request for preparation of transaction history by all AMC activities. When transaction histories are prepared manually, this form will also serve as the standard media for recording transaction history and other inventory data. The explanation of entries for completing this form are prescribed in appendix A-25.

Section II. RESPONSIBILITIES

2-10. The Director of Distribution and Transportation, Headquarters, AMC, will:

a. Prescribe basic inventory policies, responsibilities, and procedures.

b. Evaluate performance and effectiveness of the inventory system and make recommendations for improving the overall program.

2-11. Commanders of commodity commands will:

a. Assure that necessary actions implementing the provisions of this regulation are taken by ASDA's in a timely manner.

b. Approve or designate an authorized representative to approve inventory adjustment reports.

c. Evaluate the effectiveness of the inventory program in terms of the responsiveness to their materiel management requirements.

d. Forward to the Commanding General, AMC, ATTN: AMCDT-B, any recommendations for improving the overall inventory program.

2-12. Commanders of NICP's and ASDA's will:

a. Establish or designate a central inventory organization to administer and accomplish inventory functions prescribed in this regulation, to include positive control over all special inventory requests directed to depots.

b. Coordinate and establish schedules for reconciliation of NICP and depot records.

c. Develop and broadcast to depots the popularity coding for each minor secondary item and repair part of supply managed.

d. Approve inventory reports, if designated an authorized representative by the commander of the commodity command.

e. Process inventory adjustments to accountable records expeditiously as prescribed in paragraph 2-7.

f. Develop quality controls to effectively control the incidence of error introduced into the inventory and reconciliation processes.

g. Furnish required reports of inventory accomplishments to Headquarters, AMC (AMCDT-B).

2-13. Commanders of depots and storage activities will:

a. Establish an organizational element under the director of supply and transportation to administer and accomplish inventory functions prescribed in this regulation, to include physical counting of stock on hand.

b. Develop internal operating procedures for implementing and executing the provisions in this regulation.

c. Coordinate with appropriate accountable activities, as required, to develop plans, reports, and inventory and reconciliation schedules relative to the overall inventory program.

d. Develop quality controls to effectively control the incidence of error introduced into the inventory. Surveillance will be established to assure proper processing of materiel and/or documentation in all operational areas where functions affect the depot inventory.

e. Furnish required reports of inventory accomplishments to Headquarters, AMC (AMCDT-B).

CHAPTER 3

PROCEDURES--PHYSICAL INVENTORY OF GENERAL CARGO
AT ADP-EQUIPPED DEPOTS

Section I. PREPARATION AND SCHEDULING FOR INVENTORY3-1. Development and broadcast of popularity group codes.a. National inventory control points (NICP's) will:

(1) Determine popularity group codes and changes to popularity group codes for minor secondary items and repair parts (as defined by AR 710-45) under their managership. Codes will be developed as specified in appendix B-1.

(2) Prepare DA Form 2510 (Storage Item Data Change Document), document identifier code BM3, for each item, as prescribed in appendix A-1. Magnetic tape may be used to broadcast codes if mutually agreed upon by NICP's and depots.

(3) Forward storage item data change documents broadcasting popularity group codes to each depot or storage activity to arrive prior to 31 January of each year. Update with new card deck or tape as mutually agreed between NICP's and depots.

b. Depots will:

(1) Receive storage item data change documents, document identifier code BM3, from NICP's.

(2) Hold until documents have been received from all NICP's.

(3) Emit popularity group codes into each matching depot record as prescribed in AMCR 18-0801-1-5.

3-2. Preparation of inventory lot formation listings. a.

The depot inventory activity will request preparation of inventory lot formation listings by DA Form 2496 (Disposition Form) 45 days prior to the 1st day of each quarter.

b. The depot data processing activity will:

(1) Receive the request (disposition form) to prepare quarterly inventory lot formation listings.

(2) Prepare inventory lot formation listings (2 copies) as specified in AMCR's 18-0312-1-5 and 18-0315-1-5. Listing format will be as prescribed in appendix A-2.

(3) Forward all copies of the inventory lot formation listing to the depot inventory activity within 2 days from the date of request.

c. The depot inventory activity will:

(1) Receive quarterly inventory lot formation listings.

(2) Retain one copy of the listing and forward to each NICP, for which stocks are stored, one copy together with quarterly inventory capability reports prepared in paragraph 3-3 (listing will be printed separately for each NICP).

3-3. Preparation of Depot Quarterly Inventory Capability (AMC Form 1636) (Reports Control Symbol AMCDT-105). The depot inventory activity will:

a. Review standards, manpower resources, and other pertinent factors to compute the overall estimated inventory workload which can be accomplished during the following quarter.

b. Prepare the depot quarterly inventory capability reports as specified in instructions contained in appendix A-3 and as follows:

(1) Reports will be prepared for each NICP for which the depot has stocks stored.

(2) Inventory capabilities will be determined by computing each NICP's prorated share of the overall inventory workload capability for the report quarter (e.g., if stocks stored for a particular NICP represent 25 percent of the total line items stored, 25 percent of the quarterly inventory capability will be allocated to that NICP). Workload capabilities may be adjusted for situations whereby the major portion of items stored for a particular NICP are items requiring annual complete inventory as prescribed in paragraph 1-3e(1).

(3) Inventory capabilities will be expressed as the total line items (all condition codes) which can be inventoried during the following quarter.

(4) Limiting factors, e.g., requirements to accomplish complete inventories as a result of sample inventories taken during the previous quarter which did not meet acceptable standards, will be reflected in the remarks section of the report.

c. Prepare a consolidated quarterly inventory capability report to reflect the stated inventory capability for each NICP and the total overall inventory capability for the report quarter for all NICP's.

d. Forward the depot quarterly inventory capability report to each NICP, ATTN: Inventory Control Activity, to arrive 30 days prior to the 1st day of each quarter.

e. Forward the consolidated quarterly inventory capability report to the Commanding General, U.S. Army Materiel Command, ATTN: AMCDT-B, 30 days prior to the 1st day of each quarter.

3-4. Development of Quarterly Inventory Priority Schedule (AMC Form 1637) (Reports Control Symbol AMCDT-106). a. NICP's will:

(1) Receive quarterly inventory lot formation listings and quarterly inventory capability reports from depots 30 days prior to the 1st day of each quarter.

(2) Determine category I and II inventory priorities for each depot for the forthcoming quarter. Inventory capability reports and inventory lot formation listings furnished by depots will be used in conjunction with internally accumulated data to determine volumes and priorities.

(3) Prepare quarterly inventory priority schedules for each depot as specified in the instructions contained in appendix A-4 and as follows:

(a) Category I (sample evaluation inventories).

1. Form lots of from 500 to 5,000 stock numbers. The actual number of stock numbers to be inventoried will be determined from the sample size prescribed in appendix C-1. Lots of less than 500 stock numbers will not be formed for category I inventory. Type A (high popularity), category I inventory lots should be kept relatively small to facilitate reconciliation.

2. List Federal supply classifications (FSC's) or beginning and ending stock numbers for each lot formed.

3. Assign a 3-position lot number to each lot as specified in the instructions contained in appendix A-4. The first position will be the ownership code of the NICP and positions two and three will be consecutively assigned in order of priority. A cross-reference between ownership and manager routing identifier codes is contained in appendix B-7.

4. Enter the total number of stock numbers involved in each lot and the total estimated number of actual inventories based on the sample size prescribed in appendix C-1.

5. Enter separate lots in desired priority for physical inventory.

6. If applicable, indicate if the lot is to consist only of items within a particular popularity group.

7. Indicate if no inventories are to be requested in this category.

(b) Category II (complete inventories).

1. Form lots of up to 5,000 stock numbers. If the lot is a sequential series of stock numbers, e.g., FSC, combination of FSC's, or a range of Federal stock numbers (FSN's) within FSC's, enter the beginning and ending stock numbers of specific FSC(s). If stock numbers in the lot are not in stock number sequence, enter the number of stock numbers in the lot only and prepare a physical inventory request document (DD Form 1485), document identifier code DJA, for each stock number in the lot.

2. Assign a 3-position lot number, constructed as in (a) 3 above, to each lot formed. If the lot consists of stock numbers which were previously included in a category I lot which failed during sampling, the category I lot number will be perpetuated.

3. If applicable, show designation of classified, critical, regulated, controlled, specific popularity groups, or other type items included in each lot as specified in appendix A-4.

4. Record lots on schedule, assigning lot numbers to the lots in desired order of priority for physical inventory.

5. Enter proposed dates for depot/NICP reconciliation of each lot.

6. Indicate if no inventories are to be requested in this category.

(c) Category III (special inventories).

Category III inventories to be directed to depots will not be reflected on the inventory priority schedule, unless approval has been obtained from Headquarters, AMC, to submit requests to depots in this category in excess of the restrictions stated in paragraphs 2-2c and 3-3. In this instance, inventories scheduled for categories I and II above will be reduced accordingly to insure the volume of inventories directed to the depot is still within the depot's stated capability. Communications authorizing deviations in this category will be referred to, or accompany, the inventory priority schedule.

(4) Forward inventory priority schedules and physical inventory request documents, if applicable, to the depot inventory activity to arrive not later than 20 days prior to the 1st day of each quarter.

b. The depot inventory activity will:

(1) Receive inventory priority schedules and physical inventory request documents, document identifier code DJA, if applicable, from NICP's, for which stocks are stored, 20 days prior to the 1st day of each quarter.

(2) Review inventory priority schedules to insure the quarterly workload represented compares to capabilities previously broadcast to NICP's. Coordinate deviations with the applicable NICP inventory control activity.

(3) File physical inventory request documents in suspense pending establishment of the lot(s) for inventory.

3-5. Inventory control registers. The depot inventory activity will:

a. Establish an inventory register by NICP, for scheduling and control purposes, as specified in appendix A-5. The register will contain, as a minimum, the following data:

(1) Category I.

(a) Lot number, number of stock numbers, and range of stock numbers for each lot.

(b) Initial inventory control, count, and secondary control dates for each lot.

(c) Sample size for each lot.

(d) Reconciliation control action dates for each lot (establish on completion of depot inventory actions for the lot).

(e) Scheduled dates for complete inventory of lots which have undergone sample evaluation and failed to meet the required accuracy level.

(f) Historical data developed during the course of scheduled inventories.

(2) Category II.

(a) Lot numbers, type of items, and number of items in lot.

(b) Range of stock numbers included in the lot, if applicable. If not applicable, annotate the day by which physical inventory request documents were or are to be received from the NICP.

(c) Initial inventory control, count, and secondary control dates for each lot.

(d) Tentative depot/NICP inventory reconciliation control action dates for each lot proposed by the NICP. Change to actual reconciliation control action dates on completion of inventory actions for the lot and coordination with the NICP.

(e) Historical data developed during the course of the scheduled inventory.

(3) Category III.

(a) Anticipated monthly volume of requests from each NICP.

(b) The actual volume of category III requests received by purpose, e.g., storage denial, zero balance, location audit, or supply control study asset request. Identification of the purpose of the request will be by the management code contained in card column 72 of the physical inventory request document. Management codes are defined in appendix B-2.

b. Maintain the inventory control register in an up-to-date condition at all times to preclude overscheduling and to insure all inventory and reconciliation control actions are accomplished on schedule.

Section II. SCHEDULED INVENTORIES--CATEGORY I
(SAMPLE EVALUATION INVENTORY) AND CATEGORY II
(COMPLETE INVENTORY)

3-6. General. This section prescribes procedures for accomplishing category I (sample evaluation inventory) and category II (complete inventory) at automatic data processing (ADP)-equipped SPEED (system-wide project for electronic equipment at depots) depots.

3-7. Establishment of set-aside file. a. The depot inventory activity will:

(1) Daily, screen the inventory control register to determine the status of scheduled inventory lots.

(2) Initiate the establishment of the set-aside file at least 18 days prior to the scheduled count date for lots as follows:

(a) Category I. Prepare an inventory request card, general purpose card form (GPCF), document identifier code ZNJ, as specified in appendix A-6. Determine the type sample and sample size using the tables and instructions in appendix C-1.

(b) Category II.

1. Prepare an inventory request card, document identifier code ZNJ, as specified in appendix A-6, for lots composed of a range of stock numbers.

2. Remove the physical inventory request documents, document identifier code DJA, from suspense for lots composed of nonsequential stock numbers and prepare a disposition form specifying the scheduled count date for the lots.

(3) A maximum of 8 sample and 2 complete inventory lots will be scheduled for counting on a single day.

(4) Deliver inventory request cards, document identifier code ZNJ, and/or physical inventory request documents, document identifier code DJA, with the disposition form to the depot data processing activity at least 18 days prior to the scheduled inventory date. Maintain followup to insure cards are processed (b below) not later than 15 days prior to the scheduled count date.

b. The depot data processing activity will:

(1) Receive ZNJ inventory request cards, and/or DJA physical inventory request documents, with the disposition form from the inventory activity.

(2) Process the ZNJ inventory request cards and DJA physical inventory request documents as specified in AMCR's 18-0342-1-5 and 18-0345-1-5 not later than 15 days prior to the scheduled count date to accomplish the following

(a) Compute the random number factor and select the sample size indicated on the ZNJ inventory request card from the appropriate item manager records in the depot master item data file (DMIDF) for sample inventory (category I) lots.

(b) Select the range of stock numbers or the specific stock numbers requested for complete (category II) lots.

(c) Establish the inventory set-aside file, recording all essential data for inventory of each item selected.

(d) Print a lot control listing by lot, as specified in appendix A-10, in FSN sequence, of items recorded on the set-aside file.

(e) Punch inventory research cards (GPCF's), document identifier code ZNG, with the appropriate reject message, for inventory request cards, document identifier code ZNJ, having invalid data.

(f) Punch physical inventory count documents, document identifier code DKA, with appropriate message ("NO RECORD," "NO SEGMENT," "REMOVED," "CHANGE TO") for rejected DJA physical inventory request document input.

(3) Forward processed DJA physical inventory request documents, DKA physical inventory count documents for rejected DJA input, ZNG inventory research cards for invalid ZNJ input, and the lot control listing to the inventory activity.

c. The depot inventory activity will:

(1) Receive processed DJA physical inventory request documents, DKA physical inventory count documents for rejected DJA input, ZNG inventory research cards for invalid ZNJ input, and the lot control listing.

(2) File DJA cards in suspense pending reconciliation with NICP, as specified in chapter 4.

(3) Hold the physical inventory count documents for rejected DJA input for research and corrective action, if applicable. The cards will contain a message as specified in b(2)(f) above.

(4) Use the ZNG inventory research card to correct and resubmit the rejected ZNJ inventory request card to the data processing activity. The ZNG inventory research card will have a message as specified in appendix A-7.

(5) Retain the lot control listing for control purposes. This listing contains by lot, in stock number sequence, all of the items recorded in the set-aside file.

3-8. Initial inventory control. a. The depot data processing activity will conduct a daily scan of inventory lots recorded in the computer set-aside file, as specified in AMCR 18-0354-1-5, to accomplish the following actions:

(1) Establish a "B" (before summarization) initial control bit indicator in the DMIDF, for each stock number of each lot 15 days prior to the scheduled count date.

(2) Print inventory research cards, document identifier code ZNG, as prescribed in appendix A-7, with the message "COUNT DATE CHANGED TO (Julian date)" when 15 days do not remain until the count date and the lot has been rescheduled to 15 days from the current date. Forward inventory research cards, document identifier code ZNG, to the depot inventory activity.

b. The depot inventory activity will receive inventory research cards, document identifier code ZNG, with error message "COUNT DATE CHANGED TO (Julian date)," for lots recorded in the set-aside file for which the count day has been rescheduled, and accomplish the following actions:

(1) Screen the inventory control register and determine if the date to which the count day has been changed is satisfactory.

(2) If the schedule, or other factors will not permit counting on the "changed to" date, prepare an inventory request card, document identifier code ZNJ, as specified in appendix A-6, for the lot desired to be deleted from inventory. Code D (deletion) will be entered in card column 20 of the inventory request card. Forward inventory request cards, document identifier code ZNJ, for deletions to the data processing activity.

(3) Reschedule the lot for inventory at the earliest practicable time if the lot has been deleted. Change the inventory control register to reflect rescheduled dates and notify the applicable NICP of action taken.

(4) If the "changed to" date is satisfactory, update the inventory control register to reflect the revised count and inventory control dates.

c. The depot data processing activity will:

(1) Receive inventory request cards, document identifier code ZNJ, with "D" in card column 20, for inventory lots requested to be deleted from inventory.

(2) Process "ZNJ" inventory request cards, as specified in AMCR 18-0342-1-5, to delete all inventory records and controls for the lot specified in card columns 5 through 7 of the inventory request card.

3-9. Transaction processing during inventory control. a. The data processing activity will process transactions (issues, receipts, and adjustments), as specified in AMCR's 18-0201-1-5 and 18-0160-1-5, to accomplish the following actions

(1) Screen the DMIDF for all transactions at the time of processing to determine if a control bit indicator is recorded for the stock number, meaning the item is under inventory control.

(2) Record receipts and adjustments to the document control file when the item is under inventory control.

(3) Record the bit indicator in the document control file for issue transactions for items under inventory control.

(4) Print "UNDER ("B" or "A") INVENTORY CONTROL" on the detachable address label of the DD Form 1348-1A (flimsy) (DOD Single Line Item Release/Receipt Document (with address label)) issue documents when transaction is for an item under inventory control.

(5) Print "B" or "A" inventory or reconciliation control indicators on the AMC Form 1381 (Intradepot Movement), when applicable, when the data are obtained by remote or mass inquiry programs.

b. The depot shipment planning, receiving, and warehousing activities will:

(1) Expedite stock selection of all DD Form 1348-1A issue documents having "UNDER ("B" or "A") INVENTORY CONTROL" printed on the address label of the document.

(2) Expedite location of materiel under inventory control when so indicated on storage data request documents.

3-10. Request and preparation of first count cards. a. The inventory activity will obtain first count cards as follows:

(1) Category I. First count cards for sample inventory will be produced automatically on the day before the scheduled count date by a scan of the set-aside file, as specified in AMCR 18-0354-1-5.

(2) Category II.

(a) Prepare an inventory request card, document identifier code ZNJ, as specified below, to obtain count cards. All stock numbers in the lot, or increments of the lot, may be specified. Not more than two inventory request cards will be submitted on a given day.

"ZNJ." 1. Card columns 1 through 3--Enter

2. Card columns 5 through 7--Enter the inventory lot number.

3. Card columns 13 through 15--Enter the number of stock numbers for which inventory count cards are requested. A maximum of 999 stock numbers may be requested per input card. Therefore, if the limit of two input cards is submitted, the total number of stock numbers for inventory count cards that can be obtained on a given day is .,998.

4. Leave all other card columns blank.

(b) Deliver inventory request cards, document identifier code ZNJ, to the data processing activity on the day prior to the date count cards for the lot (or lot increment) are desired.¹

b. The data processing activity will:

(1) Receive inventory request cards, document identifier code ZNJ, specifying the number of stock numbers of the category II inventory lot for which count cards are requested for the following day and process as specified in (2)(b) below.

(2) Daily, run the programs as specified in AMCR¹ 18-0348-1-5 and 18-0354-1-5 to accomplish the following:

(a) Scan the set-aside file to determine category I inventory lots for which the count date is scheduled for the following day.

(b) Process ZNJ inventory request cards to produce first count cards for category II inventory lots.

(c) Punch DA Forms 2000 (Inventory Count Cards), as appropriate, for all condition codes and locations on the day before the scheduled count date. Prepare the cards as prescribed in appendix A-8.

(d) Prepare an inventory count card control listing in accordance with appendix A-9.

(e) Forward the inventory count cards and count card control listing to the inventory activity prior to the beginning of business (BOB) on the count date.

(f) Prepare inventory count cards, with reject messages in card columns 72 through 80, when the following situations occur:

¹Count cards for category II inventories are not prepared automatically as with category I inventories. An inventory request card must be prepared and processed, as specified in AMCR's 18-0354-1-5 and 18-0348-1-5, on the day prior to the desired count date to obtain count cards. This provision in the program will allow the count day to be advanced due to workload fluctuations, if necessary. If first increment counts cannot be scheduled within one week from the originally scheduled date, the lot will be deleted from inventory, as specified in paragraph 3-8b(2).

1. There is no record for the stock number in the DMIDF--print "NO RECORD."
2. There is no location or balance segment for the item in the DMIDF--print "NO SEGMENT."
3. The FSN has been changed to another FSN--print "CHANGE TO."
4. There is a balance segment but no recorded location for the item--print "NO LOC."
5. Record has been removed--print "REMOVED."

(g) Forward inventory count cards with reject messages to the inventory activity.

3-11. Summarization of balances and change to secondary inventory control. The data processing division will scan the set-aside file at the close of business (COB) on the day first count cards were prepared, in accordance with AMCR 18-0354-1-5, to accomplish the following actions:

- a. Summarize the balance for each condition of each item under inventory control as of the COB on the day preceding the scheduled count date. Record the summary (set-aside) balance to the inventory set-aside file.
- b. Delete the "B" initial inventory control indicator from the DMIDF and change to an "A/B" secondary inventory control indicator for each item. Change will be made as of the COB on the day preceding the scheduled count date for each item under inventory control.

3-12. First count. a. The inventory activity will:

(1) Receive inventory count cards and count card control listings prior to the BOB on the scheduled count date.

(2) Count materiel in location on the date indicated on the inventory count card as follows:

(a) Accept quantities shown on AMC Forms 1378 (Pallet Count Placards) if examination of containers reveals no obvious errors.

(b) Accept quantitative markings on original containers or packages that have been packed and sealed locally.

(c) Open and verify the quantity in any container for which there is reason to believe that the quantity is inaccurate or the identification questionable.

(d) Utilize the back of the inventory count card for summarization of count actions, when necessary. The counter will enter the total quantity counted in block K of the inventory count card followed by "SC" when scale counting is utilized. The counter will also enter the Julian date in block C and sign the card in block B.

(e) To indicate storage deficiencies, check the appropriate block on the face of the inventory count card, and forward the inventory count card to the responsible activity for corrective action upon completing the inventory. Those deficiencies affecting the outcome of the inventory will be directed to the responsible warehouseman for immediate corrective action.

(3) Account for all count cards and forward to the data processing activity. All the count cards for a stock number must be forwarded together to data processing and processed in the same program run.

b. The data processing activity will receive inventory count cards for first counts and process as specified in AMCR 18-0351-1-5 to record the count card data on the location count tape and set-aside file.

3-13. First count reconciliation. The data processing activity will:

a. Daily, process inventory data recorded in the set-aside file as specified in AMCR's 18-0360-1-5 and 18-0363-1-5, to accomplish the following actions:

(1) Compare first count quantities with set-aside balances.

(2) Update the DMIDF with the date of last inventory (DOLI) when counts in all conditions for an item agree exactly with set-aside balances, and second counts are not required.

(3) Delete all controls and inventory records for items in exact agreement with set-aside balances and print on the daily inventory register (DIR).

(4) Determine if transactions have occurred recently (e.g., receipts, adjustments, or issues during the period of inventory control) when variances exist between the first count and the set-aside balance.

(5) Compute quantities involved in recently posted transactions ((4) above) to determine if the value of the discrepancy can be offset by a transaction or combination of in-float transactions at the time of the physical count. Computer computation will be limited to consideration of two or less receipt and/or issue transactions. If adjustment transactions or over two receipt and/or issue transactions are recorded in the document control file, this program step will be bypassed and second count cards prepared.

(6) Update the DMIDF with the DOLI when counts in all conditions for an item, which did not agree initially, can be reconciled after consideration of in-float transactions in (5) above. Print data concerning these items on the daily discrepancy evaluation listing as specified in paragraph 3-15f with the message "RESEARCH" next to the entry, but do not prepare second count cards. If, in this situation the count in other conditions exactly matched the set-aside balance, the message "NONDISCREPANT" will be printed on the discrepancy evaluation listing adjacent to the applicable condition.

(7) Delete all inventory records and controls and print data on the daily discrepancy evaluation listing, as specified in paragraph 3-15f, for items for which first count cards have not been received 7 days after the count date. The message "DATE EXCEEDED" will be printed adjacent to the entry for these items.

b. Prepare second count cards and an inventory count card control listing, as specified in AMCR 18-0348-1-5, for discrepant items. Inventory count cards will be prepared as prescribed in appendix A-8.

c. Forward second count cards and the inventory count card control listing to the inventory activity.

3-14. Second count. a. The inventory activity will:

(1) Receive second count cards and the inventory count card control listing from the data processing activity.

(2) Utilize second count cards to count materiel, pulling materiel from location. Quantities shown on pallet count placards will not be accepted; otherwise, second counts will be made in the same manner as first counts.

(3) Account for all second count cards and forward the cards to the data processing activity.

b. The data processing activity will receive inventory count cards for second counts and process as specified in AMCR 18-0351-1-5 to record the second count on the location count tape and set-aside file.

3-15. Second count reconciliation. Daily, the data processing activity will process inventory data, recorded in the set-aside file as specified in AMCR's 18-0360-1-5 and 18-0363-1-5, to accomplish the following actions:

a. Compare second count quantities with set-aside balances and/or

b. Compare second count quantities with first count quantities.

c. Determine if transactions have occurred recently by screening the document control file (e.g., receipts, adjustments, or issues during the period of inventory control) when variances exist between the second count and set-aside balance and/or between first and second count.

d. Compute quantities involved in recently posted transactions to determine if the value of discrepancies resulting from a or b above can be offset by the quantity involved in a transaction or combination of in-float transactions at the time of the physical count. Computation will be limited to considering two or less receipt and/or issue transactions. If adjustment transactions or over two receipt or issue transactions are recorded in the file, this program step will be bypassed and all data processed to the discrepancy evaluation listing (f below).

e. Process data for counts and balances, which do not agree exactly after consideration of in-float transactions, to the count tape.

f. Prepare a daily discrepancy evaluation listing in the format shown in appendix A-11.

g. Prepare third count cards, as specified in AMCR 18-0348-1-5, for locations of a stock number and condition when first and second counts do not agree and counts do not agree with set-aside balances. Third count cards will not be prepared for locations of a stock number and condition for which first and second counts were in exact agreement.

h. Partially prepare materiel adjustment documents (inventory balance) (DD Form 1487 (DOD Materiel Adjustment Document)), document identifier code Z8P or Z9L, as applicable, as specified in appendix A-12 for all discrepant items.

i. Print items, for which counts and balances in all conditions are in exact agreement, on the daily inventory register. The daily inventory register will be prepared in the format prescribed in appendix A-13.

j. Delete inventory controls and update the DOLI for all items for which second counts were processed.

k. Forward the discrepancy evaluation listing, third count cards, partially prepared materiel adjustment documents, and the daily inventory register to the inventory activity.

3-16. Research and adjustments to custodial records. a. The inventory activity will:

(1) Receive the discrepancy evaluation listings, third count cards, partially prepared materiel adjustment documents, document identifier code Z8P or Z9L, and the daily inventory register from the data processing activity.

(2) Accomplish third counts for items, for which third count cards were received, in the same manner as prescribed for second counts.

(3) Post third count quantities on the discrepancy evaluation listing in the space provided.

(4) Accomplish additional recounts, if required, until a recount either agrees with the summary balance shown on the discrepancy evaluation listing or two recounts agree, considering in-float transactions.

(5) Review items on the discrepancy evaluation listing for which adjustments were processed during inventory control or over two receipt and/or issue transactions were in process. Based on research of transactions listed, a determination will be made as to whether an inventory adjustment should be initiated. Research will include, but not be limited to, the following actions:

(a) Change first count quantities and compare again with the set-aside balance when it can be determined that transactions physically occurred at the location after the count but were posted to the DMIDF before the count and vice versa. Changes to count quantities will be made as follows:

1. Issue transactions, with control code B, not stock selected or stock selected after the count-- subtract quantity of the transaction from count quantity.

2. Issue transactions, with control code A, stock selected before the count (post post transaction)--add quantity of the transaction to count quantity.

3. Receipt transactions, with control code B, not on location at the time of the count--add quantity of the transaction to the count quantity.

4. Receipt transactions, with control code A, placed in location before the count--subtract quantity of the transaction from count quantity.

5. Adjustment transactions--add or subtract from the count quantity in affected conditions, as appropriate, when it can be determined the transaction was posted but the corresponding action had not been accomplished at the location at the time of the count.

(b) Check to insure all locations were counted.

(c) Search receiving, materiel in transit from receiving to storage location, materiel in warehouse backlog waiting to be put in location, care and preservation, and maintenance areas for materiel off location at time of count.

(d) Check reidentification and reclassification files.

(e) Check depot property accountable records.

(6) Complete partially prepared materiel adjustment documents, document identifier code Z8P or Z9L, as prescribed in appendix A-12, when records are determined to be discrepant and adjustment quantity can be positively ascertained.

(7) Discontinue research action when the volume of in-float transactions is too great to allow reconciliation and positive determination as to whether records need be adjusted.

(8) Destroy partially prepared materiel adjustment documents received when it is determined not to adjust custodial records.

(9) Review items on the discrepancy evaluation listing which are annotated "RESEARCH" or "NONDISCREPANT" to insure discrepancy does not exist. Manually prepare materiel adjustment documents, document identifier code Z8P or

Z9L, if discrepancies are found to exist and custodial records need to be adjusted.

(10) Forward materiel adjustment documents, document identifier code Z8P or Z9L, to the data processing activity.

b. The data processing activity will receive the completed materiel adjustment documents, document identifier code Z8P or Z9L, from the inventory activity and process as specified in AMCR 18-0160-1-5 to accomplish required adjustment actions to custodial records.

3-17. Lot evaluation. The inventory activity will accomplish the following on completion of inventory actions:

a. Category I.

(1) Compute the sample estimate of the accuracy level for the inventory lot:

$$100 - \frac{\text{Number of major discrepancies} \times 100}{\text{Number of items inventoried}}$$

and, based on results, take the following actions:

(a) Coordinate reconciliation control dates with the NICP as specified in section I, chapter 4, when the sample estimate of the accuracy level meets or exceeds 95 percent. Record all pertinent data gathered from the sample in the inventory control register.

(b) Immediately notify the NICP inventory coordinator of lots which fail to meet the acceptable estimated accuracy level of 95 percent. Lots which have failed will also be listed, with the estimated accuracy level present, in the remarks block of the next depot quarterly inventory capability report submitted subsequent to the sample.

(c) Perform complete inventories of lots which have failed during sample evaluation when so indicated on the quarterly inventory priority schedules received from NICP's.

(2) Prepare the Physical Inventory Performance Report (Reports Control Symbol AMCDT-108 (AMC Form 1251), as specified in section II, chapter 4.

b. Category II.

(1) Compute major discrepancies, in accordance with paragraph 1-4c, and dollar value of major discrepancies for preparation of the physical inventory performance report as specified in section II, chapter 4.

(2) Coordinate reconciliation of the inventory lot with the NICP as specified in section I, chapter 4.

Section III. SPECIAL INVENTORIES--CATEGORY III

3-18. General. Special inventory requests will be directed to depots when an emergency situation exists which requires immediate knowledge of the supply position of a particular asset. Due to the expedited handling to be afforded these requests by storage activities, time will not permit establishment of positive controls to reconcile potential in-float documentation with physical counts. For this reason, category III inventory requests requiring a physical count will be limited to 5 percent of the standard prorated inventory capability for each NICP, as specified in paragraph 3-3, unless specifically authorized by Headquarters, AMC. Requests received by depots in excess of this volume will not be rejected but will be scheduled for category II inventory during the month following the month received. If a strict asset determination (computer balance) is acceptable, enter "BAL" in the project code field of the special inventory request. This type of request, however, cannot be the basis for adjustment to accountable records.

3-19. Initiation of special inventories. The NICP inventory activity will:

a. Prepare physical inventory request documents, document identifier code DJA, as prescribed in appendix A-14. The appropriate management code specified in appendix B-2 will be entered in card column 72 for each category III request to identify the reason for the request, e.g., storage denial, zero balance, location audit discrepancy, or supply control study asset request. If a strict asset determination (computer balance) is acceptable, enter "BAL" in the project code field, card columns 57 through 59.

b. Maintain controls to insure the volume of requests requiring a physical count do not exceed 5 percent of the reported depot monthly capability.

c. Transmit physical inventory request documents, document identifier code DJA, to the depot.

3-20. Performance of special inventories. a. The depot inventory activity will:

(1) Receive physical inventory request documents, document identifier code DJA. Requests will be identified as special inventory requests by the presence of management code B, C, D, E, K, or M in card column 72. (See app B-2, for definitions of management codes.)

(2) Maintain statistics on the inventory control register of special inventory requests, reflecting totals received by different management codes. Requests received in excess of workload capabilities will be scheduled for category II (complete inventory) during the month subsequent to the month received and the NICP so notified.

(3) Forward the physical inventory request documents, document identifier code DJA, to the data processing activity on a daily basis.

b. The data processing activity will:

(1) Receive physical inventory request documents, document identifier code DJA, and process as specified in AMCR 18-0342-1-5 to accomplish the following actions:

(a) Prepare a physical inventory count document, document identifier code DKA, with the appropriate message printed in card columns 32 through 46 when the following situations occur:

1. No record for the stock number--
print "NO RECORD."

2. "Change to" record--print "CHANGE
TO."

3. Record has been removed for that
stock number--print "REMOVED."

4. There is no balance or location
segment for the stock number--print "NO SEGMENT."

5. "DJA" request document contains
invalid data--print "INVAL DATA."

6. "DJA" request document does not con-
tain a serial number--print "NO SERIAL NO."

(b) For special inventory requests containing "BAL" in the project code field, prepare a physical inventory

count document, document identifier code DKA, as prescribed in appendix A-15, for each condition code of the stock number with the record balance entered in card columns 25 through 31.

(c) For special inventory requests other than those in (b) above, screen the DMIDF to determine if the stock number of the request is under scheduled physical inventory or reconciliation control. If either condition applies, accomplish the following actions:

1. If under scheduled inventory control, delete control and corresponding set-aside records for the stock number and continue the processing action specified in (d) below.

2. If under reconciliation control (chap 4), discontinue normal processing and prepare a physical inventory count document, document identifier code DKA, for each condition of the FSII, as prescribed in appendix A-13. The message "UNDRECCNT" will be entered in card columns 32 through 40 and the quantity and cutoff date fields will be left blank.

(d) Screen the DMIDF to determine the DOLI for the stock number of the request and accomplish the following actions:

1. If the DOLI is 90 days or greater, continue the processing action specified in (e) below.

2. If the DOLI is less than 90 days, check the date of last activity (DOLA) for the item and take the following action:

a. If the DOLA is less than 15 days, continue the processing action specified in (e) below.

b. If the DOLA is greater than 15 days, discontinue normal processing and prepare a physical inventory count document, document identifier code DKA, as prescribed in appendix A-15, for each condition code of the stock number with the record balance entered in card columns 25 through 31.

(e) Prepare the following inventory documentation for physical inventory request documents requiring a physical count.

1. Inventory count cards, document identifier code ZNK, for each condition code and location of the stock number. Count cards will be prepared in accordance with instructions in appendix A-8.

2. Physical inventory count document, document identifier code DKA, for each condition code of the stock number. If the requester of the inventory does not have a quantitative segment for a particular condition code of the stock number, the routing identifier code (To) (card colm 4-6) will be left blank in the DKA for that condition; otherwise, the routing identifier code of the requester will be entered. Cards will be prepared in accordance with instructions in appendix A-15.

3. A special inventory research listing as prescribed in appendix A-16.

(2) Forward all inventory documentation prepared in (1) above to the inventory activity.

c. The inventory activity will:

(1) Receive the inventory count cards, document identifier code ZNK; special inventory research listing; and the partially prepared physical inventory count documents, document identifier code DKA, from the data processing activity.

(2) Correct the data for "DJA" request cards rejected ("DKA" count document output with "INVAL DATA" in card colm 32-41) and return to the data processing activity for reprocessing..

(3) Review, and if not correctable, transmit all other "DKA" physical inventory count documents with reject messages printed in card columns 32 through 41, due to discrepancies between data in the physical inventory request document and the DMIDF, to the requesting NICP (e.g., "DKA" count document output with "NO RECORD," "CHANGE TO," "REMOVED," or "NO SEGMENT").

(4) Transmit physical inventory count document, document identifier code DKA, output with message "UNDRECCNT" to the requesting NICP.

(5) Transmit physical inventory count documents received from the data processing activity with the record balance entered on-line in card columns 25 through 31 to the requesting NICP. (Stock numbers of these requests are items having a DOLI within the past 90 days and a DOLA exceeding 15 days, which precludes the necessity for accomplishing a physical count of the item in the storage location.)

(6) Accomplish a physical count of stocks in all locations, for which inventory count cards were received, as specified in paragraph 3-12. If a "K" is present in card column 52 of the count card, annotate serial numbers of items counted on the reverse of the card.

(7) Compare quantities counted on count cards with the summarized recorded balance for the stock number on the special inventory research listing. If the item is multi-owned (i.e., the research listing reflects a balance for more than one accountable activity), the individual balances for each accountable activity must be totaled and compared with physical counts. If the total count quantity and total recorded balance agree, accomplish the following actions:

(a) Key punch the count quantity in card columns 25 through 31 of the partially prepared physical inventory count documents, document identifier code DKA. If the item is multiowned, only the quantity stored for the requesting NICP will be entered.

(b) Key punch the consecutive number of "DKA" physical inventory count documents, submitted for the stock number, in card column 65 and the total number of count cards, submitted for the stock number, in card column 66. For example, if three condition codes were inventoried for a given stock number, the count cards would be numbered as follows:

<u>Condition</u>	<u>Card columns</u>	
	<u>65</u>	<u>66</u>
A	1	3
B	2	3
F	3	3

(c) Key punch the numerical day that stock was physically counted in card columns 73 through 75 of the physical inventory count document.

(d) Key punch the DOLA in card columns 77 through 80 of the physical inventory count document if the DOLA is within the past 15 days and if the activity on the DOLA was a transaction which would affect the NICP accountable record, e.g., materiel receipt (document identifier code D4_ or D6_), materiel adjustment (document identifier code D8_, D9_, or DAC), or issue transactions (document identifier code A5_). Leave these columns blank if the DOLA exceeds 15 days or activity creating the DOLA was a transaction which would not affect the accountable record.

(e) Transceive "DKA" physical inventory count documents containing a routing identifier code in card columns 4 through 6 to the requesting NICP.

(f) Destroy "DKA" physical inventory count documents for which the requester did not have a recorded quantitative segment (i.e., "DKA's" with the routing identifier code (To) field blank).

(8) If the count quantity and summarized balance on the special inventory research listing do not agree, accomplish the following actions until the correct quantity on hand is arrived at and verified:

(a) Screen the special inventory research listing to determine if an issue transaction for the stock number is shown open, or recently shipped, which would offset the quantity of the variance. If an AMC Form 1506 (Shipment Planning Worksheet (SPW)) serial and line number have not been assigned in accordance with AMCR 725-7 and the message "HOLD TAPE" appears, then the issue transaction is on the small shipments consolidation hold tape and has not yet been released to storage for stock selection. In this case, the quantitative custodial balance has been reduced but the stock is still in the storage location. If the stock number was under scheduled inventory control at the time the request was processed, also review the printout of the set-aside file at the stage of control it was at the time. In this instance, receipt and/or adjustment transactions posted during control will also appear on the special inventory research listing.

(b) Check the DOLA shown on the special inventory research listing. If recent, check transaction registers to determine if quantities involved or combinations thereof offset the quantity of the variance.

(c) Prepare count cards and accomplish re-counts of stock in location, considering in-float transactions, until one of the following conditions is met:

Section IV. RESEARCH AND INVESTIGATION
OF MATERIEL RELEASE DENIALS

3-22. General. This section prescribes procedures to be followed incident to the occurrence of computer-initiated and warehouse denials.

3-23. Computer-initiated materiel release denials (MRD's).
a. The data processing activity will prepare MRD cards (DD Form 1348m (DOD Single Line Item Requisition System Document (Mechanical)), as specified in AMCR's 725-7 and 18-0202-1-5, for potential complete or partial MRD's and forward them to the inventory activity.

b. The inventory activity will:

(1) Receive MRD cards from the data processing activity.

(2) Obtain necessary data and documentation to accomplish research of the MRD by initiating a special inventory, except when the MRD is for a high-priority requisition in which case data will be obtained by using remote inquiry programs as specified in AMCR 740-3 or the mass inquiry program in AMCR 18-0816-1-5. Special inventory request cards will be prepared as follows:

(a) Card columns 1 through 3--Enter "ZJA."

(b) Card column 7--Enter "C."

(c) Card columns 8 through 22--Enter the FSN.

(d) Card columns 23 and 24--Enter the unit of issue.

(e) Card columns 47 through 53--Enter the locally assigned control number.

(f) Card columns 57 through 59--Enter "MRD."

(g) Card column 72--Enter "A."

(h) Leave all other card columns blank.

(3) Forward physical inventory request documents (ZJA's) to the data processing activity.

(4) File the MRD cards in suspense, by stock number, pending results of research and investigation, and establish controls to assure research actions are completed within allowable processing time frames.

c. The data processing activity will:

(1) Receive the physical inventory request documents (ZJA's) from the inventory activity and process them as specified in AMCR 18-0342-1-5 to accomplish the following actions:

(a) Prepare inventory count cards, document identifier code ZNK, in the format prescribed in appendix A-8, for each recorded condition code and location of the denied stock number. If there is a balance but no location for the stock number, the message "BAL NO LOC" will be printed in the location field. If there is no record or no location/balance segment for the stock number, count cards will not be prepared by the computer.

(b) Partially prepare a physical inventory count document, document identifier code ZKA, for each recorded condition code of the stock number. If there is no balance or location segment or no record for the stock number, the message "NO RECORD" or "NO SEGMENT," as applicable, will be printed on the document in the location field.

(c) Prepare a special inventory research listing for requested stock numbers for which there is a record and location/balance segment in accordance with the format prescribed in appendix A-16.

(2) Forward all inventory documentation to the inventory activity.

d. The inventory activity will:

(1) Receive inventory count cards; partially prepared physical inventory count documents, document identifier code ZKA; and a special inventory research listing from the data processing activity. (If remote inquiry programs have been used to obtain item data, the remote printout, AMC Form 1381 (Intradepot Movement) will be utilized in lieu of these documents.)

(2) File the partially prepared physical inventory count document, document identifier code ZKA, in a suspense file pending completion of counting actions. The suspense file will be screened at this time to determine if other count documents for the same FSN are in the file, indicating a repetitive denial for which count action is already in process. In this situation accomplish the following actions:

(a) Destroy duplicate physical inventory count documents, document identifier code ZKA.

(b) Match inventory count cards received with corresponding count cards in process--destroy duplicates.

(c) Manually prepare inventory count cards for physical inventory count documents received with the message "NO RECORD" or "NO SEGMENT."

(d) File the special inventory research listing with the research listing containing data for the same stock numbers for which inventory is currently in process, if applicable.

(3) Utilize inventory count cards (ZNK's) to count materiel in all recorded locations. Record quantities counted on the face of each inventory count card.

(4) Search receiving, materiel in transit from receiving to storage location, materiel in warehouse backlog waiting to be put in location, shipping, care and preservation, and maintenance areas for missing materiel and manually prepare inventory count cards for materiel in each condition code found which is not in a recorded location.

(5) Establish a warehouse location, as specified in AMCR 740-3, when materiel is found in an unrecorded location.

(6) Total the DMIDF balance quantities for all owner segments by condition and annotate on the special inventory research listing.

(7) Summarize counts by condition and enter quantities on the special inventory research listing or remote inquiry printout and physical inventory count documents, document identifier code ZKA. Also enter the date materiel was physically counted in block F of the count document.

(8) Screen the count data and the data entered on the special inventory research listing for the stock number being inventoried to determine the on-hand quantity available for issue. The following factors will be considered to arrive at the actual on-hand quantity available for issue:

(a) If no requisitions are shown as being open in the document control file, quantities found will be determined available for issue.

(b) If transactions are shown open in the document control file, it must be determined if the materiel has been stock selected yet. If all requisitions shown open have been stock selected, materiel found will be considered available for issue. Quantities of open requisitions not stock selected must be subtracted from count quantities to arrive at the actual available quantity on hand. Determination as to whether materiel for open transactions has been stock selected may necessitate screening shipment planning worksheets (SPW's) in the shipment consolidation activity. The line/serial number of the requisition on the special inventory research listing will be used to identify the transaction on the appropriate SPW.

(c) Check for recent receipt actions which could affect the item balance. If the receipt was not on location at the time of the count, this quantity must be added to the quantity counted.

(9) Compare the quantity found available for issue with the total quantity recorded on the special inventory research listing or remote inquiry printout.

(10) If a quantity of stock was found which exceeded the total quantity recorded by the exact amount of the MRD, accomplish the following actions:

(a) Prepare a materiel adjustment document, document identifier code Z8P, for the quantity in the MRD as specified in appendix A-12. If the initiator of the MRO is not the item manager, the routing identifier code of the activity initiating the MRO will be entered in card columns 4 through 6.

(b) Remove the MRD from suspense and enter an "11" punch in card column 25 and card column 36.

(c) Forward the materiel adjustment documents and reentry MRD to the data processing activity.

(11) If a quantity of stock was found which exceeded the total quantity recorded but was not sufficient to satisfy the quantity of the MRD, accomplish the following actions:

(a) Prepare a materiel adjustment document, document identifier code Z8P, for the quantity found in excess of the record quantity, as specified in appendix A-12. If the initiator of the MRO is not the item manager, the routing identifier code of the activity initiating the MRO will be entered in card columns 4 through 6.

(b) Remove the original MRD from suspense and prepare a reentry MRD to reflect the quantity found in excess of that recorded (same quantity as entered in the materiel adjustment document prepared in (a) above).

(c) Prepare an MRD in accordance with AMCR 725-7 to reflect the quantity of the MRO not available for issue. Insure that the correct management code prescribed in AMCR 725-7 is entered in card column 72 of the MRD.

(d) Forward the materiel adjustment documents and reentry MRD's to the data processing activity.

(e) Forward out-of-stock MRD's to the communications activity for transmission to the appropriate accountable activity.

(12) If a quantity of stock was found which exceeded the total quantity recorded plus the quantity of the MRD, accomplish the following actions:

(a) Prepare a materiel adjustment document, document identifier code Z8P (as specified in app 12), for the entire quantity in excess of the recorded quantity if the item manager is the initiator of the MRO.

(b) Prepare two individual materiel adjustment documents, document identifier code Z8P, as specified in appendix A-12, when the item manager is not the initiator of the MRO.

1. Enter the quantity of the MRD and the routing identifier code of the initiator of the MRO in card columns 4 through 6 of one document.

2. Enter the quantity in excess of the recorded quantity plus the MRD quantity in the other document

(c) Remove the original MRD from suspense and enter an "11" punch in card column 25 and card column 36.

(d) Forward the materiel adjustment documents and reentry MRD to the data processing activity.

(13) If no stock was found in excess of the total recorded quantity, accomplish the following actions:

(a) Remove the MRD from suspense, insure the management code entered in card column 72 is correct in accordance with AMCR 725-7.

(b) Keypunch the numerical day that stock was physically counted in card columns 73 through 75 of the physical inventory count document, document identifier code ZKA.

(c) Forward the MRD to the communications activity for transmission to the applicable accountable activity.

(d) Forward the physical inventory count document, document identifier code ZKA, to the data processing activity to update the item DOLI.

(14) If less stock was found than the total quantity recorded, accomplish the following actions:

(a) Process the MRD as specified in (12) above.

(b) Prepare a materiel adjustment document, document identifier code Z9L, for the quantity short, as specified in appendix A-12, and forward to the data processing activity.

e. The data processing activity will:

(1) Receive materiel adjustment documents, document identifier code Z8P or Z9L, and process as specified in AMCR 18-0160-1-5.

(2) Receive reentry MRD's and process in accordance with AMCR's 18-0202-1-5 and 725-7.

(3) Receive completed physical inventory count documents, document identifier code ZKA, for items which did not require adjustment and update the item DOLI in custodial records.

3-24. Warehouse denials. a. The warehousing activity will:

(1) Enter the term "OUT OF STOCK" in block 1 of the DD Form 1348-1A (flimsy) when there is no stock in the location(s) provided.

(2) Enter the term "PARTIAL QUANTITY" in block 1 of the DD Form 1348-1A (flimsy) when a partial quantity of the demand is found in the location(s) provided. Also, annotate the partial quantity found in block 1.

(3) Forward all copies of DD Forms 1348-1A (flimsy) annotated "OUT OF STOCK" to the shipment planning activity.

(4) Forward one copy of DD Form 1348-1A (flimsy) annotated "PARTIAL QUANTITY" to the shipment planning activity; utilize remaining copies to continue normal processing for the partial quantity found available as specified in AMCR 725-7.

b. The shipment planning activity will:

(1) Receive DD Forms 1348-1A (flimsy) for potential complete or partial warehouse denials.

(2) Obtain AMCTAB Form 5038 (Transportation Work Card [TWC]) from the traffic management activity suspense file and hold in suspense pending investigation by the inventory activity.

(3) Notify the consolidation activity that this line is under research in order that the SPW in suspense can be annotated as such.

(4) Forward the DD Forms 1348-1A (flimsy) to the inventory activity.

c. The inventory activity will:

(1) Receive the DD Forms 1348-1A (flimsy) from the shipment planning activity.

(2) Prepare a physical inventory request document for potential denials and enter the following data:

- (a) Card columns 1 through 3--Enter "ZJA."
- (b) Card column 7--Enter "C."
- (c) Card columns 8 through 22--Enter the FSN.
- (d) Card columns 23 and 24--Enter the unit of issue.
- (e) Card columns 47 through 53--Enter the locally assigned control number.
- (f) Card columns 57 through 59--Enter "MRD."
- (g) Card column 72--Enter "A."
- (h) Leave all other card columns blank.

(3) Forward the physical inventory request documents to the data processing activity.

(4) Retain the DD Forms 1348-1A (flimsy) in the suspense file pending completion of investigation.

d. The data processing activity will receive physical inventory request documents, document identifier code ZJA, and accomplish actions prescribed in paragraphs 3-23c(1) and (2).

e. The inventory activity will:

(1) Accomplish actions prescribed in paragraphs 3-23d(1) through (9).

(2) Remove the DD Forms 1348-1A (flimsy) from the suspense file and accomplish the following actions:

(a) Sufficient quantity of materiel is found to satisfy the demand:

1. Line through the "OUT OF STOCK" or "PARTIAL QUANTITY" annotation in block 1, DD Form 1348-1A (flimsy).

2. Enter the warehouse location(s) in which materiel is stored in block F, DD Form 1348-1A (flimsy).

3. Forward the DD Forms 1348-1 to the warehousing activity for stock selection as specified in AMCR 725-7.

(b) Partial quantity of materiel is found to satisfy a portion of the required quantity:

1. Line through the "OUT OF STOCK" or "PARTIAL QUANTITY" annotation in block 1, DD Form 1348-1A (flimsy).

2. Enter the warehouse location(s) in which materiel is stored in block F, DD Form 1348-1A (flimsy).

3. Line through the quantity in the quantity field on the first line and enter the quantity found available for shipment above the "lined through" quantity.

4. Enter a "T" in block Y, DD Form 1348-1A (flimsy), when a zero balance exists in all condition codes for the item.

5. Enter a "Y" in block Y, DD Form 1348-1A (flimsy), when a zero balance exists in the denied condition but stock is available in other conditions.

6. Annotate "PARTIAL DENIAL" in block Y, DD Form 1348-1.

7. Forward the DD Forms 1348-1A (flimsy) to the shipment planning activity.

8. Prepare an MRD for the quantity denied in accordance with AMCR 725-7 and forward to the communications activity for transmission.

(c) Out of stock denials:

1. Enter "OUT OF STOCK DENIAL" in block Y, DD Form 1348-1.

2. Enter a "T" in block Y, DD Form 1348-1A (flimsy), when a zero balance exists in all condition codes for the item.

3. Enter a "Y" in block Y, DD Form 1348-1A (flimsy), when a zero balance exists in the denied condition but stock is available in other conditions.

4. Forward the DD Forms 1348-1A (flimsy) to the shipment planning activity.

5. Prepare an MRD for the quantity denied in accordance with AMCR 725-7 and forward to the communications activity for transmission.

(3) Prepare a materiel adjustment document, document identifier code Z8P or Z9L, as applicable, as prescribed in appendix A-12, to bring custodial record quantities and on-hand quantities into agreement.

(4) Forward the materiel adjustment documents, document identifier code Z8P or Z9L, to the data processing activity.

(5) Forward the physical inventory count documents document identifier code ZKA, for items which did not require adjustment action, to the data processing activity to update the item DOLI in the custodial record.

f. The shipment planning activity will:

(1) Receive the DD Forms 1348-1A (flimsy) for partial or complete "out of stock" denials from the inventory activity.

(2) Utilize the availability data contained on the DD Forms 1348-1A (flimsy) to complete the preparation and processing of transportation work cards (TWC's) as specified in AMCR 725-7.

(3) Forward the DD Forms 1348-1A (flimsy), for partial quantities found, to the warehousing activity for stock selection as specified in AMCR 725-7.

(4) Destroy the DD Forms 1348-1A (flimsy) for complete "out of stock" denials.

g. The data processing activity will:

(1) Receive materiel adjustment documents, document identifier code Z8P or Z9L, and process as specified in AMCR 18-0160-1-5.

(2) Receive physical inventory count documents, document identifier code ZKA, and process in accordance with AMCR 18-0351-1-5 to update the item DOLI in the custodial record.

CHAPTER 4

RECONCILIATION AND REPORTING

Section I. PHYSICAL INVENTORY RECONCILIATION

4-1. General. This section prescribes procedures to be followed for reconciling national inventory control point (NICP) accountable records with physical inventories accomplished by depots. Reconciliation procedures contained herein for automatic data processing (ADP)-equipped depots (SPEED (system-wide project for electronic equipment at depots)) will be implemented only after the depot has purified custodial records (or portions thereof) to an acceptable accuracy level through complete inventory, or after verification that the accuracy level is acceptable by sample evaluation.

4-2. Reconciliation scheduling (ADP-equipped depots). a. The depot inventory activity will:

(1) Screen the inventory control register for inventory lots which have been inventoried and are ready for reconciliation with the NICP to determine tentative reconciliation dates. Lots will be judged acceptable for reconciliation under the following conditions:

(a) Category I (sample evaluation) inventory lots. All records for stock numbers comprising the inventory lot will be eligible for reconciliation when sample evaluation of the lot, in accordance with section II, chapter 3, verifies that custodial records equal or exceed the minimum accuracy level of 95 percent.

(b) Category II (complete inventory lots). All records for stock numbers comprising the lot will be eligible for reconciliation upon completion of inventory actions specified in section III, chapter 3.

(2) Notify the NICP inventory control office of inventory lot numbers acceptable for reconciliation and mutually establish positive reconciliation control action dates. Establish control action dates as follows:

(a) Determine the month reconciliation will occur.

(b) Determine the date initial inventory control will be established by the depot and NICP. The date established will be the same for both the NICP and depot and will preferably be the closest workday to the 1st day of the month.

(c) Determine the date initial reconciliation control will be changed to secondary control and balances summarized for stock numbers being reconciled. The date established will be the same for both the NICP and the depot and will preferably be the closest workday 15 days after the initial control date.

(d) Determine the date secondary reconciliation controls will be deleted and balance/transaction tapes prepared by both the NICP and depot. This date will preferably be the closest workday 15 days after secondary control is established. Less than 15 days may be used, if necessary, to prevent overlapping into another month.

(e) If the normal ADP workload is exceptionally high during the last days of the month, the reconciliation schedule may be established so that initial control is begun on the workday closest to the 15th day of the month and other dates adjusted accordingly.

(f) If more than one lot is to be reconciled with a specific NICP, the reconciliation control action dates for all lots involved will be the same.

(3) Record reconciliation control action dates established in the inventory control register. An example of the reconciliation schedule recorded is as follows:

<u>Lot no.</u>	<u>Begin initial control</u>	<u>Change to secondary control</u>	<u>Delete control</u>
M01	BOB 1 Jun 67	BOB 15 Jun 67	BOB 30 Jun 67
M04	BOB 15 Jun 67	BOB 30 Jun 67	BOB 14 Jul 67

b. The NICP will establish reconciliation control action dates with depots as specified in a(2) above and maintain a control register of dates established.

4-3. Initial reconciliation control (ADP-equipped depots).

a. The depot inventory activity will:

(1) Accomplish the following for category I inventory lots or category II inventory lots which are comprised of a consecutive range of stock numbers.

(a) Prepare an inventory reconciliation request card (general purpose card form [GPCF]), document identifier code ZNR, as specified in appendix A-17, for each lot.

(b) Deliver inventory request cards, document identifier code ZNR, to the depot data processing activity on the day prior to the day initial reconciliation control is to begin. Maintain followup to insure cards are processed by the data processing activity on the initial reconciliation control date, in accordance with AMCR 18-0372-1-5.

(2) Accomplish the following for category II inventory lots comprised of specific, nonconsecutive stock numbers.

(a) Remove the original physical inventory request documents (DD Form 1485 (DOD Physical Inventory Document)), document identifier code DJA, comprising the lot to be reconciled, from the suspense file.

(b) Gang-punch an "R" in card column 80 of each physical inventory request document (performed by data processing punched-card-machine [PCM] activity).

(c) Deliver physical inventory request documents to the depot data processing activity on the day prior to the day initial reconciliation control is to begin. Maintain followup to insure cards are processed by the data processing activity on the initial reconciliation control date, as specified in AMCR 18-0372-1-5.

b. The depot data processing activity will:

(1) Receive inventory reconciliation request cards, document identifier code ZNR, and/or physical inventory request documents, document identifier code DJA (with "R" in card column 80), and process as specified in AMCR 18-0372-1-5, to accomplish the following actions:

(a) Establish an initial reconciliation control "B" bit indicator (before summarization) in the depot master item data file (DMIDF) for each stock number.

(b) Prepare a reconciliation control tape (magnetic tape) with all stock numbers recorded which were placed under initial reconciliation control. Label the tape with the lot numbers involved. Lot number is in card columns 5 through 7 of the inventory reconciliation request card, document identifier code ZNR; and card columns 57 through 59 of the physical inventory request documents, document identifier code DJA.

(c) File the reconciliation control tape in suspense by lot number.

(2) Process receipt, issue, and adjustment transactions as specified in AMCR 18-0131-1-5 to accomplish the following actions:

(a) Determine if the stock number involved in each transaction is under reconciliation control indicated by the presence of a bit indicator in the DMIDF.

(b) Record image of all transactions processed which affect quantitative records and are under reconciliation control to computer storage area. The "B" bit indicator present will be inserted in the recorded transaction.

4-4. Summarization of balance and change to secondary reconciliation control (ADP-equipped depots). a. The depot inventory activity will:

(1) Daily, screen the inventory control register to monitor reconciliation control action dates.

(2) Request that the data processing activity process the reconciliation control tape of lot numbers under initial reconciliation control on the day prior to the day secondary reconciliation control is to be initiated.

(3) Maintain followup to insure the reconciliation control tape is processed at the close of business (COB) on the day prior to the reconciliation secondary control action date as specified in AMCR 18-0375-1-5.

(4) Immediately notify the NICP inventory control activity if circumstances exist which preclude processing of the reconciliation control tape at the COB on the day prior to the secondary control action date. Reschedule the secondary control action date in this situation to insure simultaneous processing by both the depot and NICP.

b. The depot data processing activity will:

(1) Process the reconciliation control tape at the COB on the date specified by the inventory activity in accordance with AMCR 18-0375-1-5 to accomplish the following actions:

(a) Summarize record balances for all condition codes for the stock numbers contained on the reconciliation tape.

(b) Record summarized balances in the reconciliation control tape. If there is no record of the stock number on the reconciliation control tape in the DMIDF, the stock number will be stored but the quantity field will contain the message "NO RECORD."

(c) Change the initial reconciliation control "B" indicator recorded in the DMIDF (para 4-3b(1)(a)) to a secondary reconciliation control "A" indicator after summarization).

(2) Record the image of all transactions affecting quantitative records, as specified in AMCR 18-0131-1-5, to the computer storage area. Secondary reconciliation control "A" indicator will be inserted in recorded transactions.

(3) Immediately notify the inventory activity if circumstances exist which preclude processing of the reconciliation control tape on the specified date.

(4) File the reconciliation control tape in suspense by lot number.

4-5. Preparation of ADP-equipped depot and NICP reconciliation tapes. a. The depot inventory activity will:

(1) Daily, screen the inventory control register to monitor reconciliation control deletion dates.

(2) Request that the data processing activity process the reconciliation control tape of lot numbers under secondary reconciliation control on the day prior to the day secondary controls are to be deleted.

(3) Maintain followup to insure the reconciliation control tape is processed on the day secondary controls are to be deleted as specified in AMCR 18-0378-1-5.

b. The depot data processing activity will:

(1) Process the reconciliation control tape for items under secondary reconciliation control on the date specified by the inventory activity in accordance with AMCR 18-0378-1-5 to accomplish the following actions:

(a) Delete secondary reconciliation control "A" indicator from the DMIDF for stock numbers on the reconciliation control tape.

(b) Prepare a reconciliation listing as specified in appendix A-18 containing stock numbers in each lot under reconciliation control, summary balance quantities, and all transactions which occurred against the stock numbers during initial and secondary control.

(c) Prepare the depot inventory reconciliation tape as prescribed in appendix A-19.

1. Tape will contain stock numbers and summary balances for all recorded condition codes for the lot(s) being reconciled.

2. Only transactions having an effect on reconciliation of NICP/depot records will be selected and recorded on the tape; i.e., transactions having document identifier code A5, D4, D6, D8, or D9. Materiel adjustment documents (DD Form 1487 (DOD Materiel Adjustment Document)) document identifier code DAC, will be converted to "D8" and "D9." Internal materiel adjustment transactions, document identifier code Z8 or Z9 with control code B, will not be recorded on tape. Internal adjustment transactions, document identifier code "Z8" or "Z9" with control code A, will be added or subtracted from the depot summary balance quantity and will not be recorded on the tape.

3. Each transaction recorded on the magnetic tape will have a control code B or A inserted reflecting when each was posted to the record (before or after summarization of balances).

(2) Forward the depot reconciliation tape and corresponding listing to the inventory activity.

c. The depot inventory activity will mail or deliver the depot reconciliation tape and corresponding listing to the NICP.

4-6. NICP/depot record reconciliation. The NICP will:

a. Prepare an NICP reconciliation tape as prescribed by appendix A-20. Methods and procedures for accumulating the data contained on the tape will vary depending on the type of equipment and files. The actual data contained on the tape will be standard, however, and will consist of the following actions:

(1) A summary balance record for each stock number and condition of the inventory lot. The balance entered in this record will be the master balance record as of the beginning of business (BOB) the day initial reconciliation control was changed to secondary control.

(2) A detailed record for each transaction posted to the master balance record during reconciliation control.

(a) Only transactions having an effect on reconciliation of NICP/depot records will be selected from activity records and recorded on the tape, i.e., transactions

having document identifier code A5_, D4_, D6_, D8_, or D9_. Dual materiel adjustment documents will be converted to document identifier codes "D8_" and "D9_."

(b) Transactions posted between the BOB on the day initial reconciliation control began and the time balances were summarized will be identified with a "B" or "BEFORE" control indicator in the detail record.

(c) Transactions posted between the time balances were summarized and the BOB on the day secondary reconciliation control was deleted will be identified with an "A" or "AFTER" control indicator in the detail record.

b. Receive the depot reconciliation tape and a reconciliation listing from ADP-equipped depots. The reconciliation listing will reflect all transactions which were posted at the depot during initial and secondary control periods, to include "A6_" storage denials, transaction reversals, locally processed materiel adjustment documents, or any other transaction affecting quantitative records.

c. Convert physical inventory count documents, document identifier code DKA, and reconciliation cards, document identifier code BKZ, received from non-SPEED depots, into magnetic tape as specified in appendix A-19.

d. Process the depot reconciliation tape against the NICP reconciliation tape by computer to accomplish the following actions:

(1) Match the stock number and condition of the balance record on the depot tape with corresponding data on the NICP tape.

(2) Check for transactions recorded on the tapes which occurred during the period stock numbers were under reconciliation control. Add or subtract transaction quantities having an effect on reconciliation of balances to, or from, the depot summary balance/count. Computations will be made as follows:

(a) Matching transaction documents coded either "A" or "B" by both the NICP and depot--disregard as having no effect on reconciliation.

(b) Debit transactions coded "B" on the depot reconciliation tape and coded "A" on the NICP reconciliation tape--subtract the quantity of the transaction from the depot summary balance/count quantity.

(c) Debit transactions coded "A" on the depot reconciliation tape and coded "B" on the NICP reconciliation tape--add the quantity of the transaction to the depot summary balance/count quantity.

(d) Credit transactions coded "B" on the depot reconciliation tape and coded "A" on the NICP reconciliation tape--add the quantity of the transaction to the depot summary balance/count quantity.

(e) Credit transactions coded "A" on the depot reconciliation tape and coded "B" on the NICP reconciliation tape--subtract the quantity of the transaction from the depot summary balance/count quantity.

(3) Compare the adjusted depot balance/count with the NICP summary balance.

(4) Prepare materiel adjustment documents, document identifier code D8_ or D9_, with adjustment quantities entered for discrepancies between adjusted depot counts and NICP balances, when all transactions in float have been recorded by both the depot and NICP and adjustment quantities can be positively determined. (For these type discrepancies in-line automatic adjustment processing is authorized provided the action is recorded on the adjustment listing specified in (6) below.)

(5) Prepare an inventory listing to reflect non-discrepant items and reconciled discrepancies.

(6) Prepare an inventory adjustment listing for the purpose of supporting adjustments to be made to accountable records and establish a control for items which require extensive research.

(7) Prepare a discrepancy research listing and partially prepared materiel adjustment documents (minus 3d position of document identifier code and quantity) when discrepancies exist between depot count quantities and the NICP summary balance but adjustment quantities cannot be mechanically determined due to unmatched transactions in float between the depot and NICP. In-line automatic adjustment processing will not be accomplished for these type discrepancies. The discrepancy research listing will contain as a minimum, the following data:

(a) All pertinent data extracted from master records when balances were summarized.

(b) All transactions posted by the NICP for items under reconciliation control during the control period, with "B" or "A" control indicators.

(c) Depot count quantities reported.

(d) Transactions recorded by the depot for items under reconciliation control during the control period.

e. Update master computer records to reflect the DOLI for all stock numbers inventoried.

f. Process completed materiel adjustment documents received (document identifier code and quantity entered) to adjust accountable record balances.

g. Perform research of the discrepancy research listing and materiel adjustment documents received, for which adjustment quantities could not be positively determined mechanically, to determine if adjustment should be made and if so, for what quantity. Research to be accomplished to determine adjustment quantity is as follows:

(1) Determine the status of unmatched in-float transaction documents in relation to the day that counts were performed or balances summarized and assign the appropriate "B" or "A" reconciliation control indicators to the unmatched transaction.

(2) Adjust balance/count quantities reported by depots, considering all transactions, in accordance with paragraph 4-6a(2) and appendix A-24.

(3) Match adjusted depot balance/count quantities with the NICP summary balance to arrive at the correct variance quantity, if any.

h. Complete preparation of partially prepared materiel adjustment documents received when discrepancies have been determined and process to adjust accountable records.

i. Destroy partially prepared materiel adjustment documents received when reconciliation of unmatched in-float transactions accomplished in g(1) through (3) above results in agreement between depot balance/count quantities and the NICP summary balance.

j. Prepare a supplement to the inventory adjustment listing prepared in d(6) above to reflect adjustments manually reconciled and processed.

Section II. REPORTING

4-7. Depot report of inventory (Reports Control Symbol AMCDT-108). ADP-equipped depots will:

a. Accumulate data and prepare AMC Form 1251 (Physical Inventory Performance Report) (Reports Control Symbol AMCDT-108) as specified in appendix A-21, for physical inventories completed each fiscal quarter. In addition to reporting the results of physical inventory of category I and II inventory lots, category III inventories (special inventories) accomplished will be summarized by accountable activity and purpose, as identified by the management code, and included in the remarks section of the report. The depot report will reflect physical inventory results only and not reconciliatory actions with accountable activities.

b. Forward the report, in duplicate, to the Commanding General, U.S. Army Materiel Command, ATTN: AMCDT-B, to arrive within 30 days following the end of each quarter.

4-8. NICP Report of Physical Inventory (Reports Control Symbol AMCDT-107).

a. Accumulate data and prepare AMC Form 1638 (NICP Report of Physical Inventory) (RCS AMCDT-107), as specified in appendix A-22, for physical inventories completed during each fiscal quarter.

b. Forward the report, in duplicate, to the Commanding General, U.S. Army Materiel Command, ATTN: AMCDT-B, to arrive within 30 days following the end of each quarter.

c. Forward a copy of the report to each depot with which inventories were reconciled during the report period, ATTN: Inventory Coordinator. Reports forwarded to depots will reflect only inventories reconciled with that depot.

CHAPTER 5

PROCEDURES--PHYSICAL INVENTORY
AT PCM-EQUIPPED DEPOTS

Section I. PREPARATION AND SCHEDULING FOR INVENTORY

5-1. General. This section prescribes procedures to be followed in preparing for and scheduling inventories. The national inventory control point (NICP) will be responsible for developing and broadcasting popularity group codes and developing and coordinating inventory priority schedules. The depot will be responsible for developing the quarterly inventory capability reports and coordinating the inventory priority schedule.

5-2. Development and broadcast of popularity group codes.a. NICP's will:

(1) Determine popularity group codes and changes to popularity group codes for minor secondary items and repair parts (as defined by AR 710-45) under their managership. Codes will be developed as specified in appendix B-1.

(2) Prepare DA Form 2510 (Storage Item Data Change Document), document identifier code BM3, for each item, or magnetic tape as mutually agreed between the NICP and depot, as prescribed in appendix A-1.

(3) Forward storage item data change documents broadcasting popularity group codes to each depot or storage activity to arrive prior to 31 January of each year. Update with new deck or tape as mutually agreed between NICP's and depots.

b. Depots will:

(1) Receive storage item data change documents, document identifier code BM3, or magnetic tape from NICP's.

(2) Process documents as received from the NICP.

(3) Emit popularity group codes into each matching depot location record.

5-3. Preparation of Depot Quarterly Inventory Capability (AMC Form 1636)(Reports Control Symbol AMCDT-105). The depot inventory activity will:

a. Review standards, manpower resources, and other pertinent factors to compute the overall estimated inventory workload which can be accomplished during the following quarter.

b. Prepare depot quarterly inventory capability reports as specified in instructions contained in appendix A-3 and as follows:

(1) Reports will be prepared for each NICP for which the depot has stocks stored.

(2) Inventory capabilities will be determined by computing each NICP's prorated share of the overall inventory workload capability for the report quarter (i.e., if stocks stored for a particular NICP represent 25 percent of the total line items stored, 25 percent of the quarterly inventory capability will be allocated to that NICP). Workload capabilities may be adjusted for situations whereby the major portion of items stored for a particular NICP are items requiring annual complete inventory as prescribed in paragraph 1-3e(1).

(3) Inventory capabilities will be expressed as the total line items (all condition codes) which can be inventoried during the following quarter. Limiting factors, i.e., requirements to accomplish complete inventories as a result of sample inventories taken during the previous quarter which did not meet acceptable standards, will be reflected in the remarks section of the report.

(4) Tentative dates for accomplishing the physical inventory for each NICP will be entered in the capability report.

c. Prepare a consolidated depot quarterly inventory capability report to reflect the stated inventory capability for each NICP and the total overall inventory capability for the report quarter for all NICP's.

d. Forward the depot quarterly inventory capability report to each NICP, ATTN: Inventory Control Activity, to arrive 30 days prior to the 1st day of each quarter.

e. Forward the consolidated depot quarterly inventory capability report to the Commanding General, U.S. Army Materiel Command (AMC), ATTN: AMCDT-B, 30 days prior to the 1st day of each quarter.

5-4. Development of quarterly inventory priority schedules.a. NICP's will:

(1) Determine category I and II inventory priorities for each depot for the forthcoming quarter. Inventory capability reports furnished by depots will be used in conjunction with internally accumulated data, in determining volumes and priorities.

(2) Prepare quarterly inventory priority schedules for each depot as specified in the instructions contained in appendix A-4 and as follows:

(a) Category I (sample evaluation inventories).

1. Form lots of from 500 to 5,000 stock numbers in stock number sequence. The actual number of stock numbers to be inventoried will be determined from the sample size prescribed in appendix C-1. Lots of less than 500 stock numbers will not be formed for category I inventory. Type A (high popularity), category I inventory lots should be kept relatively small to facilitate reconciliation.

2. Leave columns pertaining to beginning and ending Federal stock numbers (FSN's) or Federal supply classifications (FSC's) blank.

3. Assign a three-position lot number to each lot as specified in the instructions contained in appendix A-4. The first position will be the ownership code of the NICP and positions two and three will be consecutively assigned in order of priority. A cross-reference between ownership and manager routing identifier codes is contained in appendix B-7.

4. Enter the total number of stock numbers involved in each lot and the total estimated number of actual inventories based on sample sizes prescribed in appendix C-1.

5. Enter separate lots in desired priority for physical inventory.

6. Determine the type sample and the sample design required using the table and instructions in appendix C-1 and select the sample either manually or mechanically as follows:

a. Divide the inventory lot population by the sample size selected and double this quotient.

b. Select a table of random numbers (Military Handbook-53) and eliminate all numbers which are greater than the answer obtained in a above and select the first number from the table.

c. Count a number of stock numbers in the inventory lot file equal to the number selected from the random table, beginning with the first stock number, and remove inventory lot location cards for all locations of all conditions of the stock number from the file.

d. Select the second number on the random table and count this number of stock numbers from the first stock number selected and remove all location cards for the stock number from the file.

e. Continue this process throughout the entire lot population until the desired sample size is obtained.

7. Prepare a DJA physical inventory request document, as specified in appendix A-14 for each stock number selected.

8. Indicate if no inventories are to be requested in this category.

(b) Category II (complete inventories).

1. Form lots of up to 5,000 stock numbers, enter the number of stock numbers in the appropriate columns, and prepare a DJA physical inventory request document for each stock number in the lot.

2. Assign a three-position lot number, as constructed in (a) 2 and 3 above, to each lot formed. If the lot consists of stock numbers which were previously included in a category I lot which failed during sampling, the category I lot number will be perpetuated.

3. If applicable, show designation of classified, critical, regulated, controlled, specific population groups, or other type items included in each lot as specified in appendix A-4.

4. Record lots on schedule, assigning lot numbers to the lots in desired order of priority for physical inventory.

5. Enter proposed dates for depot count and NICP reconciliation of each lot.

6. Indicate if no inventories are to be requested in this category.

(c) Category III (special inventories).

Category III inventories to be directed to depots will not be reflected on the inventory priority schedule, unless approval has been obtained from Headquarters, AMC, to submit requests to depots in this category in excess of the restrictions stated in paragraphs 2-2c and 5-3. In this instance, inventories scheduled for categories I and II above may be coordinated and rescheduled to insure that the volume of inventories directed to the depot is still within the depots stated capability. Communications authorizing deviations in this category will be referred to, or accompany, the inventory priority schedule.

(3) Forward inventory priority schedules and physical inventory request documents to the depot inventory control office (ICO) to arrive not later than 20 days prior to the 1st day of each quarter.

b. The depot inventory activity will:

(1) Receive inventory priority schedules and physical inventory request documents and insure the quarterly workload represented compares to capabilities previously broadcast to NICP's.

(2) Coordinate deviations with the applicable NICP inventory control activity.

5-5. Inventory control registers. The depot inventory activity will:

a. Establish an inventory register by NICP, for schedule and control purposes, as specified in appendix A-5. The register will contain, as a minimum, the following data:

(1) Category I.

(a) Lot number, number of stock numbers, and range of stock numbers for each lot.

(b) Initial inventory control and count dates for each lot.

(c) Sample size for each lot.

(d) Scheduled dates for complete inventory of lots which have undergone sample evaluation and failed to meet the required accuracy level.

(e) Historical data developed during the course of scheduled inventories.

(2) Category II.

(a) Lot numbers, number of items in lot, and if applicable, the type of items, e.g., CSPR (classified, sensitive, principal, and regulated) items.

(b) Annotate the date the physical inventory request documents (DD Form 1485 (DOD Physical Inventory Document)) were received or are to be received from the NICP.

(c) Initial inventory control and count dates for each lot.

(d) Historical data developed during the course of the scheduled inventory.

(3) Category III.

(a) Anticipated monthly volume of requests from each NICP.

(b) The actual volume of category III requests received by purpose. Identification of the purpose of the request will be by the management code contained in card column 72 of the physical inventory request document. Management codes are defined in appendix B-2.

b. Maintain the inventory control register in an up-to-date condition at all times to preclude overscheduling and to insure all inventory and reconciliation control actions are accomplished on schedule.

Section II. SCHEDULED INVENTORIES--CATEGORY I
(SAMPLE EVALUATION INVENTORY) AND CATEGORY II
(COMPLETE INVENTORY)

5-6. General. This section prescribes procedures for accomplishing category I (sample evaluation inventory) and category II (complete inventory) at punched-card machine (PCM)-equipped depots (non-SPEED).

5-7. Inventory control. a. The NICP will establish control to identify transactions posted to accountable records during the inventory control period to enable preparation of an NICP reconciliation tape as specified in paragraph 4-6a.

b. The depot inventory activity will establish controls to insure all in-float documentation which may have an effect on the inventory is identified and recorded. The methods and procedures used for this control will be dependent on the type of PCM equipment available and volume of transactions processed. Controls established, however, will provide the following data:

(1) A record of each of the transactions listed below, processed by the depot for stock numbers under inventory control for 10 days preceding the physical count.

<u>Type transaction</u>	<u>Document identifier code</u>
Receipt from procurement	D4
Receipt other than procurement	D6
Issue	A5
Adjustment increase	D8 (see note)
Adjustment decrease	D9 (see note)
FSN changes/consolidations and logistical transfers	BM

Note. Materiel adjustment document (inventory balance), document identifier code DAC, will be converted to document identifier codes D8C and D9C.

(2) Whether the materiel corresponding transaction in process during inventory control was physically in or out of location at the time the physical count of stock was made.

(a) For those transactions which physically occurred at the item location before the count, the record of the transaction will be coded "B" or "BEFORE."

(b) For those transactions processed which had not physically occurred at the item location before the count, the record of the transaction will be coded "A" or "AFTER."

5-8. Inventory count. a. The depot inventory activity will:

(1) Prepare one deck of DA Forms 2000 (Inventory Count Cards) for each FSN scheduled to be counted at the close of business (COB) the day prior to the scheduled count date.

(2) Prepare a two-part inventory control listing of count cards prepared.

(3) Inventory the materiel in location on the date indicated in the inventory count card:

(a) Accept quantities shown on AMC Form 1378 (Pallet Count) if examinations of containers reveal no obvious errors.

(b) Accept quantitative markings on original containers or packages that have been packed and sealed locally.

(c) Open and verify the quantity in any container for which there is reason to believe that the quantity is inaccurate or the identification questionable.

(d) Utilize the back of the inventory count card for summarization of count actions, when necessary. The counter will enter the total quantity counted in block K of the inventory count card followed by "SC" where scale counting is utilized. The counter will also enter the Julian date in block C and sign the card in block B.

(e) To indicate storage deficiencies, check the appropriate block on the face of the inventory count card and forward the inventory count card to the responsible activity for corrective action upon completing inventory. Those deficiencies affecting the outcome of the inventory will be directed to the responsible warehouseman for immediate corrective action.

(4) Summarize inventory count cards by condition and screen custodial records to determine if the item is multiowned i.e., the stock stored is owned by more than one accountable activity.

(a) If the item is not multiowned, prepare a physical inventory count document (DD Form 1485) for the quantity of each consolidation counted in accordance with instructions contained in appendix A-13.

(b) If the item is multiowned and the quantity counted (considering in-float documentation) agrees exactly with quantities reflected in custodial records, prepare a physical inventory count document for the accountable activity requesting the inventory. The quantity entered in the count document in this instance will be taken from the custodial record balance for that accountable activity.

(c) If the item is multiowned, determine the quantity to be reported to accountable activities in accordance with criteria specified in AMCR 711-3, and prepare physical inventory count documents for each condition as specified in appendix A-15.

(5) If custodial record quantitative segments require adjustment as a result of the inventory, prepare a materiel adjustment document, document identifier code Z8P or Z9L, as specified in appendix A-12 and process to change local custodial balances.

(6) Prepare a depot reconciliation card, document identifier code BKZ, for each transaction specified in paragraph 5-7b(1) which was processed during the inventory control period. Reconciliation cards will be prepared as specified in appendix A-23.

(7) Mail the physical inventory count documents, document identifier code DKA, and reconciliation cards, document identifier code BKZ, to the NICP to arrive not later than the COB the 3d working day after the inventory count date.

b. The NICP will:

(1) Receive physical inventory count documents, document identifier code DKA, and depot reconciliation cards, document identifier code BKZ, from the depot.

(2) Convert physical inventory count documents and reconciliation cards to the magnetic tape format specified by appendix A-19.

5-9. Reconciliation of NICP balances with depot counts. The NICP will:

a. Accomplish reconciliation and adjustments to accountable records in accordance with paragraph 4-6.

b. Research major discrepancies to determine those FSN's on which a recount and/or further investigation is required.

c. Determine the number of inventory discrepancies and compute the sample estimate of the accuracy level by category I lots based on major discrepancies:

$$100 - \frac{\text{Number of major discrepancies} \times 100}{\text{Number of items inventoried}}$$

and based on the results, take the following actions:

(1) Schedule those lots which fail to meet the acceptable estimated accuracy level of 95 percent for complete inventory in a subsequent quarter.

(2) Prepare a lot evaluation analysis and forward a copy to the depot within 15 days after the inventory. Analysis will be in letter form and will include, as a minimum, the following information:

(a) Number of FSN's inventoried.

(b) Number of major discrepancies determined as specified in paragraph 1-4c.

(c) Action taken or to be taken on unresolved major discrepancies.

Section III. CATEGORY III--SPECIAL INVENTORIES

5-10. General. Special inventory requests will be directed to depots when an emergency situation exists which requires immediate knowledge of the supply position of a particular asset. To the extent practicable, controls will be established to reconcile potential in-float documentation with physical counts. Category III inventory requests will be limited to 5 percent of the standard prorated inventory capability for each NICP as specified in paragraphs 2-2c and 5-4a(2)(c) unless specifically authorized by Headquarters, AMC. Request received by depots in excess of this volume will not be rejected but will be coordinated with NICP's for scheduling during subsequent quarters as category II inventories.

5-11. Initiation of special inventories. a. The NICP will:

(1) Prepare physical inventory request documents document identifier code DJA, as prescribed in appendix A-14. The appropriate management code specified in appendix B-2 will be entered in each category III request in card column 72 to identify the reason for the request, e.g., denial, zero balance, location audit discrepancy, or supply control study asset request.

(2) Maintain controls to insure the volume of requests does not exceed 5 percent of the reported depot monthly capability.

b. The depot inventory activity will:

(1) Receive physical inventory request documents. Requests will be identified as special inventory requests by the presence of management code B, C, D, E, K, or M in card column 72 (see app B-2 for definition of management codes).

(2) Maintain statistics on the inventory control register of special inventory requests, reflecting totals received by different management codes. Requests received in excess of workload capabilities will be coordinated with NICP's for rescheduling during subsequent quarters as category II inventory.

(3) Inventory the materiel in location, and accomplish actions specified in paragraphs 5-8a(4) and (5).

(4) Forward the physical inventory count document to the NICP immediately upon completion of inventory action.

5-12. NICP processing of special inventory counts. The NICP will:

a. Receive the physical inventory count documents from the depots.

b. Compare quantities reported in the physical inventory count documents with the quantities reflected on item records as of the count date shown in the physical inventory count documents. If the quantities agree, terminate inventory action.

c. If count and record balance quantities disagree, accomplish the following actions:

(1) Check card columns 77 through 80 for the Julian date representing the DOLA, which will be entered by the depot if within 15 days of the processing date. Compare the depot DOLA with the NICP DOLA to determine if unposted documentation is a potential cause of the variance.

(2) If deemed essential, request the depot to furnish the special inventory research listing reflecting in-float transactions or posted within 15 days of count date. Screen the special inventory research listing when received from the depot and determine whether adjustment is required. If quantities are reconciled, terminate the inventory action. If adjustment action is required, initiate adjustment action as specified in AMCR 711-3.

Section IV. REPORTING

5-13. General. This section prescribes procedures for developing and accumulating data for reporting purposes.

5-14. Depot report of inventory (Reports Control Symbol AMCDT-108). Depots will:

a. Accumulate data and prepare AMC Form 1251 (Physical Inventory Performance Report) (RCS AMCDT-108) as specified in

appendix A-21, for physical inventories completed each fiscal quarter. In addition to reporting the results of physical inventory of category I and II inventory lots, category I inventories (special inventories) accomplished will be summarized by purpose, NICP, and identified by the applicable management code and included in the report.

b. Forward the report, in duplicate, to the Command General, U.S. Army Materiel Command, ATTN: AMCDT-B, to be received within 30 days following the end of each quarter.

5-15. NICP Report of Physical Inventory (Reports Control Symbol AMCDT-107). NICP's will:

a. Accumulate data and prepare AMC Form 1630 (NICP Report of Physical Inventory) (RCS AMCDT-107), as specified in appendix A-22 for physical inventories reconciled during each fiscal quarter.

b. Forward the report, in duplicate, to the Command General, U.S. Army Materiel Command, ATTN: AMCDT-B, to be received within 30 days following the end of each quarter.

c. Forward a copy of the report to each depot at which inventories were reconciled during the report period. ATTN: Inventory Coordinator. Reports forwarded to depot will reflect only inventories reconciled with that depot.

CHAPTER 6

PROCEDURES--AMMUNITION PHYSICAL INVENTORY
AT ADP-EQUIPPED DEPOTS

(To be published at a later date.)

CHAPTER 7

PROCEDURES--AMMUNITION PHYSICAL INVENTORY
AT PCM-EQUIPPED DEPOTS

(To be published at a later date.)

Appendix A

FORMS AND FORMATS

Appendix A-1

DA FORM 2510 (STORAGE ITEM DATA CHANGE DOCUMENT)

STORAGE ITEM DATA CHANGE DOCUMENT (AR 725-50)

DA FORM 2510 PREVIOUS EDITION IS OBSOLETE

1. **ITEM NUMBER** 733015890916

2. **DATE** 7/24/5

3. **REASON FOR CHANGE** 5

4. **REMARKS**

ITEM	QUANTITY	UNIT	PRICE	TOTAL
1	2	2	2	2
2	2	2	2	2
3	2	2	2	2
4	2	2	2	2
5	2	2	2	2
6	2	2	2	2
7	2	2	2	2
8	2	2	2	2
9	2	2	2	2
10	2	2	2	2
11	2	2	2	2
12	2	2	2	2
13	2	2	2	2
14	2	2	2	2
15	2	2	2	2
16	2	2	2	2
17	2	2	2	2
18	2	2	2	2
19	2	2	2	2
20	2	2	2	2
21	2	2	2	2
22	2	2	2	2
23	2	2	2	2
24	2	2	2	2
25	2	2	2	2
26	2	2	2	2
27	2	2	2	2
28	2	2	2	2
29	2	2	2	2
30	2	2	2	2
31	2	2	2	2
32	2	2	2	2
33	2	2	2	2
34	2	2	2	2
35	2	2	2	2
36	2	2	2	2
37	2	2	2	2
38	2	2	2	2
39	2	2	2	2
40	2	2	2	2
41	2	2	2	2
42	2	2	2	2
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88	2	2	2	2
89	2	2	2	2
90	2	2	2	2
91	2	2	2	2
92	2	2	2	2
93	2	2	2	2
94	2	2	2	2
95	2	2	2	2
96	2	2	2	2
97	2	2	2	2
98	2	2	2	2
99	2	2	2	2
100	2	2	2	2

EXAMPLE

Appendix A-1

DA FORM 2510 (STORAGE ITEM DATA CHANGE
DOCUMENT)--Continued

APPLICATION: Applies to national inventory control points (NICP's) and depots under the jurisdiction of the Commanding General, U.S. Army Materie Command.

USE: Used within this regulation to broadcast popularity group codes developed by NICP's to depots.

<u>Field legend</u>	<u>Card columns</u>	<u>Explanation</u>
Document identifier code	1-3	Enter "BM3."
Routing identifier code (To)	4-6	Enter the routing identifier code of the activity to which the card is being forwarded.
Blank	7	Leave blank.
Stock number	8-22	Enter the stock number of item.
Blank	23-31	Leave blank.
Effective date	32-35	Enter the numerical date on which the popularity code of the item was broadcast.
Blank	36-42	Leave blank.
Popularity group code	43	Enter the appropriate popularity group code as defined in appendix B-1.
Blank	44-66	Leave blank.
Routing identifier code (From)	67-69	Enter the routing identifier code of the NICP preparing the document.
Blank	70-80	Leave blank.

INVENTORY LOT FORMATION LISTING

REMARKS

Appendix A-2

INVENTORY LOT FORMATION LISTING--Continued

APPLICATION: NICP's and ADP-equipped depots.

USE: By NICP's for information with which to form
inventory lots.

EXPLANATION:

1. Listing is printed in Federal supply classification (FSC) sequence within manager and type lot.
2. Listing will break within type lot when 5,000 Federal stock numbers (FSN's) are reached.
3. The same item will not be counted in more than one type lot. If an item is both controlled and classified, it will be counted on the listing as controlled.

Appendix A-3
AMC FORM 1636 (DEPOT QUARTERLY INVENTORY CAPABILITY)
(REPORTS CONTROL SYMBOL AMCDT-105)

DEPOT QUARTERLY INVENTORY CAPABILITY AMCR 780-1				DATE 5/27/67		REPORTS CONTROL SYMBOL AMCDT-105	
TO: Commanding General U.S. Army Weapons Command ATTN: Invt Con Actv Rock Island, IL 61201		FROM: Commanding Officer Red River Army Depot ATTN: Invt Con Actv Texarkana, TX 75502		REPORT PERIOD			
				QTR	FY		
				1	68		
NICP		TOTAL FSN'S STORED (APPROXIMATE)	CATEGORIES I AND II CAPABILITY QUARTERLY	MONTHLY	QTR	TOTAL QUARTERLY CAPABILITIES CATEGORIES I, II, AND III	
USAAPSA							
USATACOM							
USAAVCOM							
USAECON							
USAMECON							
USAMICOM							
USAWECOM	17,000	2,421		43	129	2,550	
TOTALS							
REMARKS:							

AMC FORM 1636
25 JUL 68

Appendix A-3

AMC FORM 1636 (DEPOT QUARTERLY INVENTORY CAPABILITY)
(REPORTS CONTROL SYMBOL AMCDT-105)--Continued

APPLICATION: Depots.
 USE: Prepared by depots 30 days prior to each quarter to inform each NICP of its prorated share of the depots' inventory capability for that quarter. This form is also used for a consolidated report to Headquarters, AMC.
 EXPLANATION: (For reporting inventory capability for general cargo commodities only.)

1. The following information is an explanation of the sample depot quarterly inventory capability report as it might be prepared by Red River Army Depot for submission to the U.S. Army Weapons Command (USAWECOM). The figures in the sample were arrived at based on the following hypothetical figures and calculations:

TOTAL FEDERAL STOCK NUMBERS (GENERAL CARGO) STORED AT RED RIVER ARMY DEPOT	100,000
TOTAL USAWECOM ITEMS STORED	17,000
USAWECOM's PRORATED ($\frac{17,000 \times 100}{100,000}$) SHARE	17%
RED RIVER's MONTHLY INVENTORY CAPABILITY (GENERAL CARGO)	5,000 FSN's
PRORATED SHARE OF MONTHLY INVENTORY CAPABILITY FOR USAWECOM (17% of 5,000)	850
CATEGORY III MONTHLY CAPABILITY (5% of 850)	43
CATEGORIES I and II MONTHLY CAPABILITY (850 - 43)	807
CATEGORIES I and II QUARTERLY CAPABILITY (807 x 3)	2,421
CATEGORY III QUARTERLY CAPABILITY (43 x 3)	129
TOTAL QUARTERLY CAPABILITY CATEGORIES I, II, and III	2,550

2. These figures reflect USAWECOM's normal prorated share of the inventory capability of Red River Army Depot. However, in any quarter a reduction in categories I and II capabilities could be reported and would be explained in the remarks block. An example for reporting a reduced capability may be the requirement to accomplish a special project on direction from Headquarters, AMC, or a compensation in capability due to a

Appendix A-3

AMC FORM 1636 (DEPOT QUARTERLY INVENTORY CAPABILITY)
(REPORTS CONTROL SYMBOL AMCDT-105)--Continued

substantially reduced work force during high leave-rate periods. Category I lots which failed to achieve the prescribed accuracy level when sampled will also be entered in the remarks block.

3. When this form is used to submit the consolidated depot quarterly inventory capability report to Headquarters, AMC, figures for all NICP's will be entered and totaled.

A-8

Appendix A-4

AMC FORM 1637 (QUARTERLY INVENTORY PRIORITY SCHEDULE)
(REPORTS CONTROL SYMBOL AMCDT-106)--Continued

APPLICATION: Applies to NICP's.
USE: This schedule will be prepared quarterly for each depot based on the depot quarterly inventory capability report and the inventory lot formation listing. On this schedule, the NICP will list the lots desired to be inventoried during the quarter and will specify the desired priority of inventory through assigning sequential lot numbers. Precedence of inventory will be given to the lot with the earliest assigned lot number.

EXPLANATION: For each lot selected, the NICP will assign a 3-position lot number. The first position will be the NICP ownership code as identified in appendix B-7 and the last two positions will be numeric, assigned consecutively from 01 to 99. After assigning the 99th lot number, the NICP will revert back to assigning 01 lot number.

1. This sample quarterly inventory priority schedule shown was developed using the inventory lot formation listing from appendix A-2 and the depot quarterly inventory capability report from appendix A-3, as source data.

2. The following information is an explanation of each lot scheduled:

a. Lot M01 is a lot of 495 classified items scheduled for category II inventory. As indicated, "DJA" physical inventory request documents have been furnished to the depot and the proposed reconciliation month is September 1967.

b. Lot M02 is a lot of 2,015 items scheduled for category I inventory which is composed of the FSN's from stock number 1005 066 1319 to stock number 3507 653 5240, having type lot code A (app B-8). The FSN's to be inventoried (sample size) were obtained from the sample selection table (app C-1).

c. Lot M03 is a lot of 3,000 items scheduled for category I inventory, which is composed of the FSN's within Federal supply classification 7330, with type lot code C (app B-8).

Appendix A-4

AMC FORM 1637 (QUARTERLY INVENTORY PRIORITY SCHEDULE)
(REPORTS CONTROL SYMBOL AMCDT-106)--Continued

d. Lot M04 is a lot of 5,000 items scheduled for category I inventory. The lot is composed of all the FSN's from stock number 6680 896 9046 to stock number 6920 234 7399, without regard to popularity, except classified items or items assigned special control item codes 1 through 6 which are excluded (app B-5.) A "Z" entered in the "LOT TYPE" column will identify this type lot construction.

e. Lot M05 is a lot of 475 principal items scheduled for category II inventory which is composed of the FSN's from stock number 1005 573 1601 to stock number 6645 530 0960.

f. Lot M06 is a lot of 416 items scheduled for category II inventory. The lot is composed of all the FSN's from FSC 6650 to FSC 6655, without regard to popularity, except classified items or items assigned special control item codes 1 through 6 which are excluded (app B-5.) A "Z" entered in the "LOT TYPE" column will identify this type lot construction.

3. Notice that the total number of FSN's scheduled to be inventoried by the NICP is 2,408 which is within the 2,421 capability reported by the depot in the sample depot quarterly inventory capability report in appendix A-3.

INVENTORY CONTROL SYSTEM

[illegible]

Appendix A-6

INVENTORY REQUEST CARD [GPCF]

APPLICATION: All ADP-equipped depots.

USE: Used as computer input to select items for inventory, delete lots previously selected from inventory, and to specify the number of stock numbers to be inventoried on a given day for complete inventories.

1. Input to select items for inventory and record on set-aside file.

<u>Card columns</u>	<u>Entries</u>	<u>Data source</u>
1-3	Enter "ZNJ."	Not applicable.
4	Enter "A" if selected items are to be completely inventoried. Enter "B" if sample is to be selected.	Inventory control register.
5-7	Enter the inventory project lot number.	Inventory control register.
8-9	Enter increment number, if applicable.	Inventory control register.
10-12	Enter item manager routing identifier code.	Appendix B-7.
13-15	Enter the sample size to be selected, if applicable. Leave blank if card is to select items for complete inventory.	Sample selection tables, appendix C-1.
16-19	Enter the established count date for the sample or for the first increment if for a complete inventory.	Inventory control register.
20	Leave blank.	Not applicable.

Appendix A-6

INVENTORY REQUEST CARD (GPCF)--Continued

<u>Card columns</u>	<u>Entries</u>	<u>Data source</u>
21	Enter type lot code A, B, C, or D, if only items in one of these categories are to be selected for inventory. Enter a "Z" if all of the above are to be selected, including items with no popularity group code assigned. Enter "1" if only regulated, sensitive, and principal items are to be selected. Enter "2" if only classified items are to be selected. If none of these categories apply, leave blank, in which case items will be selected without regard to popularity or special control codes.	Inventory control register. Further explanation of popularity group code development and usage is contained in appendix B-1.
22-27	Enter the number of stock numbers in the inventory lot from which the sample is to be selected. If card is for complete inventory, leave blank.	Inventory control register.
28-42	Enter the first sequential stock number of the inventory lot or the first Federal supply classification (FSC) followed by zeros if an entire FSC or group of FSC's is to be inventoried.	Inventory control register.
43-57	Enter the last sequential stock number of the inventory lot or the last FSC followed by nines if an entire FSC or group of FSC's is to be inventoried.	Inventory control register.
58-80	Leave blank.	

Appendix A-6

INVENTORY REQUEST CARD (GPCF)--Continued

2. Input to delete inventory lots which are currently under inventory control.

<u>Card columns</u>	<u>Entries</u>	<u>Data source</u>
1-3	Enter "ZNJ."	Not applicable.
4	Enter "A" if lot to be deleted is a complete inventory lot. Enter "B" if lot to be deleted is a sample inventory lot.	Inventory contro register.
5-7	Enter the inventory lot number of the lot to be deleted.	Inventory contro register.
8-9	Enter the increment number, if applicable.	Inventory contro register.
10-12	Enter item manager routing identifier code.	Inventory contro register.
13-19	Leave blank.	
20	Enter "D."	
21-80	Leave blank.	

3. Input to specify the number of stock numbers count cards are requested for on a given date for complete inventories.

<u>Card columns</u>	<u>Entries</u>	<u>Data source</u>
1-3	Enter "ZNJ."	Not applicable.
4	Leave blank.	
5-7	Enter the 3-position lot number.	Inventory contro register.
8-9	Enter the 2-position increment number, if applicable; otherwise, leave blank.	Inventory contro register.
10-12	Leave blank.	

Appendix A-6

INVENTORY REQUEST CARD (GPCF)--Continued

<u>Card columns</u>	<u>Entries</u>	<u>Data source</u>
13-15	Enter the number of stock numbers in the lot for which count cards are being requested, up to the maximum of 999.	
16-80	Leave blank.	

Appendix A-7

INVENTORY RESEARCH CARD (GPCF)

APPLICATION: Used by all ADP-equipped depots. Output by computer program to indicate incorrect or incomplete input or input data which does not correspond with records and/or file being used.

EXPLANATION: Document identifier code ZNJ will be entered in card columns 1 through 3 of this card. The remaining card column entries will be perpetuated from the applicable input or file source. In each situation an appropriate message explaining the condition will be printed on the card. Different reject messages applicable to this card are as follows:

<u>Message</u>	<u>Explanation</u>
INVAL DATA	Inventory request card, document identifier code ZNJ, input was incorrectly prepared or contained invalid data.
DATE CHANGED TO (Julian date)	15 days did not remain until scheduled count date when the inventory request card, document identifier code ZNJ, was processed. Review of rescheduled date is required by the inventory activity.
TOO MANY INPUT CARDS	Over 8 inventory request cards, document identifier code ZNJ, for sample inventory was input on one day. Request cards must be resubmitted within these limitations.
OVER TWO COMPLETE CARDS	Over 2 inventory request cards, document identifier code ZNJ, for complete inventories were submitted on one day. Request cards must be resubmitted within these limitations.
LOT DATA FLD BLANK	Beginning and ending stock number fields on inventory request cards, document identifier code ZNJ, were incomplete or contained incorrect data. Request card must be corrected and resubmitted.

DA FORM 2000 (INVENTORY COUNT CARD)

INVENTORY COUNT CARD (AR 780-45)		DA FORM 1365 2000		REFLECTS DA FORM 2000 WHICH WILL BE USED	
DATE	TIME	QUANTITY	LOT NUMBER	LOCATION	DATE
32111206A	7330 5890915	EAIA 184	000	MOI PUMP	010814 CI
A. STORAGE DISCREPANCIES		B. COUNTEE'S SIGNATURE			
<input type="checkbox"/> a MIXED STOCK	<div>John Doe</div> <div>DATE COUNTED 7184</div> <div>D. REMARKS</div>				
<input type="checkbox"/> b QUESTIONABLE CONDITION					
<input type="checkbox"/> c QUESTIONABLE IDENTITY					
<input type="checkbox"/> d ILLEGIBLE MARKINGS					
<input type="checkbox"/> e MULTIPLE OR IMPROPER STACKING					
<input type="checkbox"/> f MULTIPLE OPEN BOXES	<div>EXAMPLE</div>				
<input type="checkbox"/> g HONEYCOMBING					
<input type="checkbox"/> h OTHER (specify)					
C. STORAGE DISCREPANCIES		D. REMARKS			
E. TOTAL STOCK		F. TOTAL			
G. TOTAL		H. TOTAL			
I. TOTAL		J. TOTAL			
K. TOTAL		L. TOTAL			
M. TOTAL		N. TOTAL			
O. TOTAL		P. TOTAL			
Q. TOTAL		R. TOTAL			
S. TOTAL		T. TOTAL			
U. TOTAL		V. TOTAL			
W. TOTAL		X. TOTAL			
Y. TOTAL		Z. TOTAL			
AA. TOTAL		AB. TOTAL			
AC. TOTAL		AD. TOTAL			
AE. TOTAL		AF. TOTAL			
AG. TOTAL		AH. TOTAL			
AI. TOTAL		AJ. TOTAL			
AK. TOTAL		AL. TOTAL			
AM. TOTAL		AN. TOTAL			
AO. TOTAL		AP. TOTAL			
AQ. TOTAL		AR. TOTAL			
AS. TOTAL		AT. TOTAL			
AU. TOTAL		AV. TOTAL			
AW. TOTAL		AX. TOTAL			
AY. TOTAL		AZ. TOTAL			
BA. TOTAL		BB. TOTAL			
BC. TOTAL		BD. TOTAL			
BE. TOTAL		BF. TOTAL			
BG. TOTAL		BH. TOTAL			
BI. TOTAL		BJ. TOTAL			
BK. TOTAL		BL. TOTAL			
BM. TOTAL		BN. TOTAL			
BO. TOTAL		BP. TOTAL			
BQ. TOTAL		BR. TOTAL			
BS. TOTAL		BT. TOTAL			
BU. TOTAL		BV. TOTAL			
BW. TOTAL		BX. TOTAL			
BY. TOTAL		BZ. TOTAL			
CA. TOTAL		CB. TOTAL			
CC. TOTAL		CD. TOTAL			
CE. TOTAL		CF. TOTAL			
CG. TOTAL		CH. TOTAL			
CI. TOTAL		CJ. TOTAL			
CK. TOTAL		CL. TOTAL			
CM. TOTAL		CN. TOTAL			
CO. TOTAL		CP. TOTAL			
CQ. TOTAL		CR. TOTAL			
CS. TOTAL		CT. TOTAL			
CU. TOTAL		CV. TOTAL			
CV. TOTAL		CW. TOTAL			
CW. TOTAL		CX. TOTAL			
CX. TOTAL		CY. TOTAL			
CY. TOTAL		CZ. TOTAL			
CZ. TOTAL		DA. TOTAL			
DA. TOTAL		DB. TOTAL			
DB. TOTAL		DC. TOTAL			
DC. TOTAL		DD. TOTAL			
DD. TOTAL		DE. TOTAL			
DE. TOTAL		DF. TOTAL			
DF. TOTAL		DG. TOTAL			
DG. TOTAL		DH. TOTAL			
DH. TOTAL		DI. TOTAL			
DI. TOTAL		DJ. TOTAL			
DJ. TOTAL		DK. TOTAL			
DK. TOTAL		DL. TOTAL			
DL. TOTAL		DM. TOTAL			
DM. TOTAL		DN. TOTAL			
DN. TOTAL		DO. TOTAL			
DO. TOTAL		DP. TOTAL			
DP. TOTAL		DQ. TOTAL			
DQ. TOTAL		DR. TOTAL			
DR. TOTAL		DS. TOTAL			
DS. TOTAL		DT. TOTAL			
DT. TOTAL		DU. TOTAL			
DU. TOTAL		DV. TOTAL			
DV. TOTAL		DW. TOTAL			
DW. TOTAL		DX. TOTAL			
DX. TOTAL		DY. TOTAL			
DY. TOTAL		DZ. TOTAL			
DZ. TOTAL		EA. TOTAL			
EA. TOTAL		EB. TOTAL			
EB. TOTAL		EC. TOTAL			
EC. TOTAL		ED. TOTAL			
ED. TOTAL		EE. TOTAL			
EE. TOTAL		EF. TOTAL			
EF. TOTAL		EG. TOTAL			
EG. TOTAL		EH. TOTAL			
EH. TOTAL		EI. TOTAL			
EI. TOTAL		EJ. TOTAL			
EJ. TOTAL		EK. TOTAL			
EK. TOTAL		EL. TOTAL			
EL. TOTAL		EM. TOTAL			
EM. TOTAL		EN. TOTAL			
EN. TOTAL		EO. TOTAL			
EO. TOTAL		EP. TOTAL			
EP. TOTAL		EQ. TOTAL			
EQ. TOTAL		ER. TOTAL			
ER. TOTAL		ES. TOTAL			
ES. TOTAL		ET. TOTAL			
ET. TOTAL		EU. TOTAL			
EU. TOTAL		EV. TOTAL			
EV. TOTAL		EW. TOTAL			
EW. TOTAL		EX. TOTAL			
EX. TOTAL		EY. TOTAL			
EY. TOTAL		EZ. TOTAL			
EZ. TOTAL		FA. TOTAL			
FA. TOTAL		FB. TOTAL			
FB. TOTAL		FC. TOTAL			
FC. TOTAL		FD. TOTAL			
FD. TOTAL		FE. TOTAL			
FE. TOTAL		FF. TOTAL			
FF. TOTAL		FG. TOTAL			
FG. TOTAL		FH. TOTAL			
FH. TOTAL		FI. TOTAL			
FI. TOTAL					

Appendix A-8

DA FORM 2000 (INVENTORY COUNT CARD)--Continued

APPLICATION: Inventory of general supplies at all AMC depots.
 USE: Used to accomplish and record the physical count of stocks in the storage location.

1. Punched card entries.

<u>Field legend</u>	<u>Card columns</u>	<u>3d line interpreter print positions</u>	<u>Explanation</u>
Document identifier code	1-3	--	Enter "ZNK."
Blank	4-6	--	Leave blank.
Type of physical inventory code	7	59	Type inventory codes are specified in appendix B-4.
Federal stock number (FSN)	8-22	10-24	Enter the FSN, or part number of the item with additional identification data, when applicable.
Unit of issue	23-24	25-26	Enter the standard abbreviation for the unit of issue for this item.
Quantity	25-31	--	Keypunch the actual quantity counted as reflected on the face of the count card in block K.
Count date	32-34	28-30	Enter the Julian day materiel is scheduled to be counted.
Count card control number	(35-43)	31-39	Enter separate elements of the control number as specified below.

Appendix A-8

DA FORM 2000 (INVENTORY COUNT CARD)--Continued

<u>Field legend</u>	<u>Card columns</u>	<u>3d line interpreter print positions</u>	<u>Explanation</u>
Lot number	35-37	40-42	If NICP assigned, perpetuate from inventory request input ("DJA" "ZNJ"). If depot assigned, perpetuate from inventory request input ("ZJA" "ZNJ").
Increment number	38-39	33-34	Depot assigned. Perpetuate from inventory request input ("ZNJ").
Serial number	40-43	35-38	Depot assigned. Enter separate sequential numbers to each card in location sequence beginning with "0001" within each lot and/or increment number.
Noun nomenclature	44-51	44-51	Noun nomenclature.
Blank	52-60	--	Leave blank.
Count number	61	60	Enter the applicable count number, e.g., "1," "2," "3."
SER NO. REQ IND	62	52	Enter "K" if contained on original "DJA" request. This indicates serial numbers of items are to be furnished.
Blank	63	--	Leave blank.

Appendix A-8

DA FORM 2000 (INVENTORY COUNT CARD)--Continued

<u>Field legend</u>	<u>Card columns</u>	<u>3d line interpreter print positions</u>	<u>Explanation</u>
Popularity group code	64	53	Enter the 1-digit numerical popularity group code as specified in appendix B-1.
Physical security classification code	65	54	Enter the 1-digit character to identify the security classification of the item as specified in appendix B-6.
Special control item code	66	55	Enter the 1-digit character to identify the special control item code as specified in appendix B-5.
Manager routing identifier code	67-69	56-58	Enter the item manager routing identifier code.
Blank	70	--	Leave blank.
Condition code	71	27	Enter the 1-character alphabetic classification of the condition of the item from location records.
Location or reject message	72-80	1-9	Enter the location established for this item.

2. Manual entries.

<u>Block</u>	<u>Field legend</u>	<u>Explanation</u>
A	Storage discrepancies	Enter a checkmark (✓) opposite the appropriate block when storage discrepancies are discovered incident to count.

Appendix A-8

DA FORM 2000 (INVENTORY COUNT CARD)--Continued

<u>Block</u>	<u>Field legend</u>	<u>Explanation</u>
B	Counter's signature	Counter's signature.
C	Date counted	Enter the date on which the physical count was performed. Enter the last digit of the calendar year, followed by the numerical day of the year, i.e., "5365" for 31 December 1965.
D	Remarks	Enter any data of an unusual nature that would assist in the reconciliation of discrepancies.
E	Number of pallets	Enter the number of pallets in location containing the same number of containers with identical quantities per container. Leave blank for other than palletized stock.
F	Number of containers	Enter the number of containers per pallet or location, as applicable.
G	Quantity	Enter the quantity per container entered in block F.
H	Total	Enter the total quantity in containers/pallets indicated in blocks E and F.
I	Total pallets	Enter the total number of pallets in the location.
J	Total containers	Enter the total number of containers in the location.

Appendix A-8

DA FORM 2000 (INVENTORY COUNT CARD)--Continued

<u>Block</u>	<u>Field legend</u>	<u>Explanation</u>
K	Total quantity	Enter the total quantity counted in the location. When scale counting is used, annotate "SC" in the remarks block. When count is taken from a pallet count placard, annotate "Pallet Count" in blocks E, F, and G; enter the pallet count card quantity in block H; and enter the breakout of the working pallet in blocks E through H.

COUNT CARD COMPANY 1111

PRINTER FORMAT

[illegible]

REMARKS

Appendix A-10
LOT CONTROL LISTING

PRINTER FORMAT													
0	1	2	3	4	5	6	7	8	9	10	11	12	13
1	2	3	4	5	6	7	8	9	10	11	12	13	
1	2	3	4	5	6	7	8	9	10	11	12	13	
2	3	4	5	6	7	8	9	10	11	12	13		
3	4	5	6	7	8	9	10	11	12	13			
4	5	6	7	8	9	10	11	12	13				
5	6	7	8	9	10	11	12	13					
6	7	8	9	10	11	12	13						
7	8	9	10	11	12	13							
8	9	10	11	12	13								
9	10	11	12	13									
10	11	12	13										
11	12	13											
12	13												
13													
14													
15													
16													
17													
18													
19													
20													
21													
22													
23													
24													
REMARKS													

Appendix A-11

DISCREPANCY EVALUATION LISTING--Continued

APPLICATION: ADP-equipped depots.
USE: To provide all available data for inventory
discrepancy research.
EXPLANATION:

1. The discrepancy evaluation listing will reflect set-aside information, depot master item data file (DMIDF) segment, and transaction lines from the document control file (if any) for each discrepant FSN. The listing will contain the following data:

a. Discrepancies between both first and second counts and set-aside balances which cannot be offset by in-float transactions. No special message will be printed on the discrepancy evaluation listing for these items.

b. Discrepancies between counts and set-aside balances offset as a result of application of in-float transactions. These items will have "RESEARCH" printed adjacent to the discrepancy evaluation listing entry.

c. Items for which first count cards were not returned and processed within 7 days or second count cards within 14 days. These entries will be identified by the message "DATE EXCEEDED" on the discrepancy evaluation listing.

d. Items for which first and second counts agree but do not agree with the set-aside balance. Both count quantities will be printed on the discrepancy evaluation listing.

e. Counts for particular condition codes within a stock number, which agreed exactly with the set-aside balance, but counts in all condition codes did not agree with the set-aside balance. Conditions in agreement will have message "NONDISCREPANT" printed adjacent to the entry. Conditions of the FSN with variances between counts and set-aside balances will have "RESEARCH" printed adjacent to that entry.

f. All discrepancies existing between counts and set-aside balances when an adjustment transaction or two or more receipt and/or issue transactions were recorded in the document control file. Count and set-aside file data as well as all transactions recorded in the document control file will be printed. No special message will appear on the discrepancy evaluation listing for these items unless there were transactions with duplicate document numbers processed during the control period, in which case the message "DUP DOC CK DTR" will be printed.

Appendix A-11

DISCREPANCY EVALUATION LISTING--Continued

2. The set-aside information is composed of summary balance, first count, difference between first count and summary balance, second count, and difference between second count and summary balance for each condition within the FSN. In addition, counts by location within condition code are provided reflecting first count, second count, and difference between first and second count.

3. The DMIDF segment reflects the date of last activity (DOLA), the current quantity on record by accountable supply distribution activity (ASDA), and the date of last inventory (DOLI) by condition code.

4. The transaction lines from the document control file include all transactions processed against the FSN under inventory control. Each transaction line reflects the following: the document number; the date processed or the date shipped; the Government bill of lading (GBL) and transportation control number (TCN), if the transaction was a materiel release order (MRO) and shipment has been made; the document identifier code, if the transaction was a receipt or adjustment; or the shipment planning worksheet (SPW) serial and line number, if the transaction was an MRO and it is still open in storage; the quantities open, denied, shipped, or canceled; the inventory control indicator; and the gaining condition code, if the transaction was a dual adjustment (document identifier code DAC); blank, if on small shipment consolidation hold tape.

A-28

Appendix A-12

DD FORM 1487 (DOD MATERIEL ADJUSTMENT DOCUMENT)--Continued

APPLICATION: Applies to AMC depots.
USE: Used to adjust quantities contained in depot custodial records as a result of physical inventory.

1. SPEED depots.

Explanation for adjustment of specified owner/manager quantitative segments in custodial records, e.g., denials, Z8P reversals of previously processed Z8P or Z9L adjustment actions, or correction of erroneous data loaded during file conversions.1

Explanation for adjustment as a result of category III inventory

Explanation for adjustment as a result of category I or II inventory

Field Legend Card columns

Document identifier code 1-3 Enter "Z8P" if adjustment is a physical inventory increase. Enter "Z9L" if adjustment is a physical inventory decrease.

Routing identifier code (To) 4-6 Leave blank.

Leave blank.

1. Denials. Leave blank if document identifier code is "Z9L." If document identifier code is "Z8P," enter the routing identifier code of the initiator of the MRO if that is the only quantitative segment to be adjusted.

2. Reversal actions. Enter the routing identifier code of the owner quantitative segment to be adjusted for both Z8P and Z9L adjustment reversal actions. In this instance, the daily transaction registers must be reviewed and an individual reversal document prepared for the appropriate quantity adjusted as a result of the original document.

3. Other. Enter the routing identifier code of the specific owner quantitative segment to be adjusted.

Leave blank.

Enter the stock number being adjusted.

Leave blank.

Enter the stock number being adjusted.

Leave blank.

Enter the stock number being adjusted.

7

8-22

Blank

Stock number

Adjustment reversal action will have an "11" zone number entered in card column 25.

Appendix A-12
DD FORM 148 (LOG MATERIAL ADJUSTMENT DOCUMENT)--Continued

Field Legend	Card Columns	Explanation for adjustment as a result of category	Explanation for adjustment as a result of category	Explanation for adjustment of specified owner/manager quantitative segments in custodial records, e.g., denials, reversals of previously processed ZEP or ZEP adjustment actions, or correction of erroneous data loaded during file conversions.
Unit of issue	13-14	Enter the unit of issue of the stock number being adjusted.	Enter the unit of issue of the stock number being adjusted.	Enter the unit of issue of the stock number being adjusted.
Quantity	25-29	Enter the quantity affected by the action. This field will be completely punched preceding significant digits with zeros.	Enter the quantity affected by the action. This field will be completely punched preceding significant digits with zeros.	Enter the quantity affected by the action. This field will be completely punched preceding significant digits with zeros.
Document number	(30-43)	Enter the document number assigned to the transaction as specified below.	Enter the document number assigned to the transaction as specified below.	Enter the document number assigned to the transaction as specified below.
Activity address	30-35	Enter "SCHEDULE" (scheduled inventory).	Enter "SPECIM" (special inventory).	Enter "SPECIM" (special inventory).
Date	36-39	Enter the date the document number was assigned.	Enter the date the document number was assigned.	Enter the date the document number was assigned.
Serial number	40-43	Enter the consecutive numeric serial number of the action within the originating activity beginning daily with 0001.	Enter the consecutive numeric serial number of the action within the originating activity beginning daily with 0001.	Enter the consecutive numeric serial number of the action within the originating activity beginning daily with 0001.
Suffix code	44	Leave blank.	Leave blank.	Leave blank.
Blank	45-69	Leave blank.	Leave blank.	Leave blank.
	60-62	Leave blank.	Enter the routing identifier code, from positions 67 through 69 of the DPA physical inventory request document, of the activity which requested the special inventory.	Leave blank.

Appendix A-12

DD FORM 1487 (DOD MATERIEL ADJUSTMENT DOCUMENT)--Continued

Field legend	Card columns	Explanation for adjustment as a result of category I or II inventory	Explanation for adjustment as a result of category III inventory	Explanation for adjustment of specified owner/manager quantitative segments in custodial records, e.g., denials, reversals of previously processed Z8P or Z9L adjustment actions, or correction of erroneous data loaded during file conversions.
Blank	63-66	Leave blank.	Leave blank.	Leave blank.
Routing identifier code (From)	67-69	Enter the depot routing identifier code.	Enter the depot routing identifier code.	Enter the depot routing identifier code.
Ownership purpose code	70	Leave blank.	Leave blank.	Leave blank.
Condition code	71	Enter the condition code of the balance being adjusted.	Enter the condition code of the balance being adjusted.	Enter the condition code of the balance being adjusted.
Blank	72-80	Leave blank.	Leave blank.	Leave blank.

Appendix A-12

DD FORM 1487 (DOD MATERIEL ADJUSTMENT DOCUMENT)--Continued

2. Non-SPEED depots.

<u>Field legend</u>	<u>Card columns</u>	<u>Explanation</u>
Document identifier code	1-3	Enter "Z8P" if the adjustment is a physical inventory increase. Enter "Z9L" if the adjustment is a physical inventory decrease.
Routing identifier code (To)	4-6	Enter the routing identifier code of the accountable activities quantitative segment to be adjusted.
Blank	7	Leave blank.
Stock number	8-22	Enter the stock number being adjusted.
Unit of issue	23-24	Enter the unit of issue of the stock number being adjusted.
Quantity	25-29	Enter the quantity affected by the action. This field will be completely punched preceding significant digits with numeric zeros.
Document number	(30-43)	Enter the document number assigned to the transaction as specified below.
Activity address	30-35	1. Enter "SCHLIN" (scheduled inventory). 2. Enter "SPECIN" (special inventory).
Date	36-39	Enter the date the document number was assigned.

Appendix A-12

DD FORM 1487 (DOD MATERIEL ADJUSTMENT DOCUMENT)--Continued

<u>Field legend</u>	<u>Card columns</u>	<u>Explanation</u>
Serial number	40-43	Enter the numeric serial number of the action within the originating activity beginning daily with 0001.
Suffix code	44	Leave blank.
Blank	45-66	Leave blank.
Routing identifier code (From)	67-69	Enter the depot routing identifier code.
Ownership/ purpose code	70	Leave blank.
Condition code	71	Enter the condition code of the balance being adjusted.
Blank	72-80	Leave blank.

Appendix A-14

PHYSICAL INVENTORY REQUEST DOCUMENT (DD FORM 1485 (DOD PHYSICAL INVENTORY DOCUMENT))--Continued

APPLICATION: Applies to NICP's, ASDA's, and depots under the jurisdiction of the Commanding General, AMC.
USE: Used to request physical inventory of stocks in storage locations.

<u>Field legend</u>	<u>Card columns</u>	<u>Interpreter print positions</u>	<u>Explanation</u>
Document identifier code	1-3	1-3 3d line	Enter "DJA" if initiated by NICP's/ASDA's. Enter "ZJA" if initiated by depots.
Routing identifier code (To)	4-6	4-6 3d line	If DJA, enter the routing identifier code of the activity to which this document is being forwarded. If ZJA, leave blank.
Type of physical inventory code	7	7 3d line	Enter a "C."
Federal stock number	8-22	8-22 3d line	Enter the FSN of the item to be inventoried.
Unit of issue	23-24	23-24 3d line	Enter the unit of issue for the item to be inventoried.
Quantity	25-31	--	Leave blank.
Warehouse location	32-46	--	Leave blank.
Count card control number	(47-53)	40-46 3d line	Assign the control number as specified below.

Appendix A-14

PHYSICAL INVENTORY REQUEST DOCUMENT (DD FORM 1485
(DOD PHYSICAL INVENTORY DOCUMENT))--Continued

<u>Field legend</u>	<u>Card columns</u>	<u>Interpreter print positions</u>	<u>Explanation</u>
Date serial number assigned	47-49	40-42 3d line	Enter the consecutive day of the year the serial number was assigned.
Serial number	50-53	43-46 3d line	Enter a consecutively assigned serial number.
Distribution code	54-56	--	Leave blank.
Project code	57-59	37-39	Enter the inventory lot number. For category II DJA requests, the first position will be the alphabetic ownership code of the ASDA speci- fied in appendix B-7, and positions 2 and 3 will be sequentially assigned. For category II or III ZJA requests, enter the locally assigned lot number. If the request is for a DJA category III inventory and a computer balance only is desired, enter "BAL," otherwise leave blank.
Blank	60-61	--	Leave blank.
Cutoff date	62-64	--	Leave blank.
Blank	65-66	--	Leave blank.
Routing Identifier code (From)	67-69	47-49 3d line	If request is a DJA, enter the routing iden- tifier code of the activ- ity preparing the card. If request is a ZJA, leave blank.

Appendix A-14

PHYSICAL INVENTORY REQUEST DOCUMENT (DD FORM 1485
(DOD PHYSICAL INVENTORY DOCUMENT))--Continued

<u>Field legend</u>	<u>Card columns</u>	<u>Interpreter print positions</u>	<u>Explanation</u>
Ownership/ purpose code	70	--	Leave blank.
Condition code	71	51 3d line	Leave blank.
Management code	72	52 3d line	1. If the request is a DJA for a category III inventory (special inven- tory), enter appropriate management code B, C, D, E, K, M, or Z as specified in appendix B-2. 2. If the request is a ZJA for a category III inventory, enter manage- ment code A. 3. If the request is DJA or ZJA for a category II inventory, always leave blank.
Request/ count day	73-75	53-55 3d line	If the request is a DJA, enter the numerical day of the calendar year that the request was trans- mitted to the depot. If the request is a ZJA, leave blank.
Blank	76-80	--	Leave blank.

Appendix A-15

PHYSICAL INVENTORY COUNT DOCUMENT
(DD FORM 1485 (DOD PHYSICAL INVENTORY DOCUMENT))

DOD PHYSICAL INVENTORY DOCUMENT										DD FORM 1485, 1 JUN 94									
DRAWN BY: 13305840413 STOCK NUMBER: 140 QUANTITY: 140 ADD'L: 140										WAREHOUSE LOCATION: 1000026 DIST: 1701 CUTOFF: 184 REQUEST: 184									
DOCUMENT IDENTIFIER: 13305840413 ROUTING IDENTIFIER: 13305840413 STOCK NUMBER: 140 ADD'L: 140										QUANTITY: 140 DIST: 1701 CUTOFF: 184 REQUEST: 184									
QUANTITY: 140 COUNTED BY: 13305840413 CHECKED BY: 13305840413										STOCK NUMBER: 140 ADD'L: 140									
CONDITION: 140 SERVICEABLE: 140 SERV (ISSUE W/QUALIFICATION): 140 SERV (PRI. ISSUE): 140 SERV (TEST/MOD): 140 UNSERV (RESTORATION): 140 UNSERV (REPARABLE): 140 UNSERV (INCOMPLETE): 140 UNSERV (CONDEMNED): 140 SUSP (IN STOCK): 140 SUSP (RETURNS): 140 SUSP (LITIGATION): 140 SUSP (IN WORK): 140										REMARKS: 140									
QUANTITY: 140 COUNTED BY: 13305840413 CHECKED BY: 13305840413										STOCK NUMBER: 140 ADD'L: 140									
QUANTITY: 140 COUNTED BY: 13305840413 CHECKED BY: 13305840413										STOCK NUMBER: 140 ADD'L: 140									

Appendix A-15

PHYSICAL INVENTORY COUNT DOCUMENT (DD FORM 1485
(DOD PHYSICAL INVENTORY DOCUMENT))--Continued

APPLICATION: Applies to all NICP's and depots under the jurisdiction of the Commanding General, AMC.
USE: Used to report results of category III physical inventories.

<u>Field legend</u>	<u>Card columns</u>	<u>Explanation</u>
Document identifier code	1-3	Enter "DKA" if the physical inventory request document was a DJA. Enter "ZKA" if the physical inventory request document was a ZJA.
Routing identifier code (To)	4-6	Enter the routing identifier code of the activity to which the card is being forwarded if inventory request was DJA. If the request was ZJA, leave blank.
Type of inventory code	7	Perpetuate the appropriate code from the physical inventory request card, document identifier code DJA or ZJA.
Stock number	8-22	Enter the stock number of the item counted.
Unit of issue	23-24	Enter the unit of issue of the item inventoried.
Quantity	25-31	Enter the quantity counted. Precede significant digits with zeros. If stock is not available under the condition inventoried, enter all zeros in this field.
Blank or message	32-46	Leave blank unless the "DJJA" or "ZJA" physical inventory request document was rejected due to incorrect data or other conditions. In this situation, enter appropriate message identifying reason for rejection.

Appendix A-15

PHYSICAL INVENTORY COUNT DOCUMENT (DD FORM 1485
(DOD PHYSICAL INVENTORY DOCUMENT))--Continued

<u>Field legend</u>	<u>Card columns</u>	<u>Explanation</u>
Count card control number	47-53	Perpetuate from physical inventory request document, document identifier code DJA or ZJA.
Distribution code	54-56	Leave blank.
Project code	57-59	If DKA, leave blank. If ZKA, perpetuate from ZJA.
Blank	60-61	Leave blank.
Cutoff date	62-64	Leave blank unless computer balance is given, then enter computer current date.
Blank (This field will be used to specify the consecutive and total number of count cards submitted for the stock number.)	(65-66)	To be keypunched as shown below prior to transmission to the ASDA, if physical inventory request was a DJA. Leave blank if physical inventory request was a ZJA.
Consecutive number of the count card	65	Keypunch the consecutive number of the count card. A separate consecutive number will be assigned for each condition code reported.
Total number of count cards submitted for the stock number	66	Keypunch the total number of count cards submitted for the stock number.

Appendix A-15

PHYSICAL INVENTORY COUNT DOCUMENT (DD FORM 1485
(DOD PHYSICAL INVENTORY DOCUMENT))--Continued

<u>Field legend</u>	<u>Card columns</u>	<u>Explanation</u>
Routing identifier code (From)	67-69	Enter the routing identifier code of the activity preparing the card.
Blank	70	Leave blank.
Condition code	71	Enter the condition code of the item counted. If a "NO SEGMENT" or "NO RECORD" situation exists, enter condition code A.
Management code	72	Perpetuate from the "DJA" or "ZJA" physical inventory request docu- ment. If the count is being sub- mitted to an ASDA due to stock found after submission of a storage denial, enter management code A.
Count date	73-75	Keypunch the numerical day stock was physically counted.
Blank	76	Leave blank.
Blank (This field will be used only to inform the NICP of the date of last activity (DOLA) at the depot for the item counted when the DOLA is within 15 days of the count date.)	77-80	Keypunch the DOLA if within 15 days of the count date and the transaction creating the activity was one which also affected the NICP accountable record. If the document identifier code is ZKA, leave blank.

SPECIAL INVENTORY RECORD: LOT C

[illegible]

REMARKS

Appendix A-16

SPECIAL INVENTORY RESEARCH LISTING--Continued

APPLICATION: ADP-equipped depots.

USE: To provide all available data to perform special inventory.

EXPLANATION:

1. The special inventory listing will contain the following data:

a. All data from the inventory set-aside file if the stock number was under scheduled inventory control at the time the request was processed.

b. All pertinent data from the DMIDF mission segment to include a summarized balance for each condition of the stock number.

c. All data pertaining to open requisitions and requisitions which have been shipped within 15 days of the current processing date. If the stock number was under inventory control at the time the request was processed, receipt and adjustment transactions posted during the control period will also be listed, and appropriate "A" or "B" control code printed for each transaction.

d. The notation "SERIAL NUMBERS REQUIRED" if the "DJA" physical inventory request contained management code K in card column 72.

e. The NICP-assigned serial number from card columns 47 through 53 of the "DJA" physical inventory request document.

2. The format for the special inventory research listing is the same as the format for the discrepancy evaluation listing in appendix A-11 with the following exceptions:

a. Counts by location will not be shown in the set-aside information of the special inventory research listing.

b. The notation "SERIAL NUMBERS REQUIRED" (para 1d) and the NICP assigned "DJA" serial number (para 1e) have been added to the special inventory research listing.

Appendix A-17

INVENTORY RECONCILIATION REQUEST CARD

APPLICATION: All ADP-equipped depots.
 USE: Used as computer input to establish reconciliation control for inventory lots being reconciled with NICP's.¹

<u>Card columns</u>	<u>Entries</u>	<u>Data source</u>
1-3	Enter "ZNR."	Not applicable.
4	Leave blank.	--
5-7	Enter the inventory lot number to be reconciled.	Inventory control register.
8-9	Leave blank.	--
10-12	Enter the routing identifier code of the accountable activity records that are being reconciled with.	Inventory control register.
13-15	Leave blank.	--
16-19	Enter the Julian date initial reconciliation control is to begin.	Inventory control register.

¹This card is used only to establish reconciliation control for category I or II inventory lots being reconciled with the item manager. If physical inventory request documents, document identifier code DJA, were furnished by the item manager to conduct the physical inventory, these documents will be used as input to put items under reconciliation control as specified in chapter 4. For reconciliation with accountable activities other than the item manager, DJA physical inventory request documents (with an "R" in card colm 80) must be used as input to place items under reconciliation control.

Appendix A-17

INVENTORY RECONCILIATION REQUEST CARD--Continued

<u>Card columns</u>	<u>Entries</u>	<u>Data source</u>
20	Leave blank.	--
21	Enter type lot code A, B, C, or D if only items in one of these categories is to be reconciled. Enter a "Z" if all of the above items are to be reconciled. Enter "1" if only regulated, sensi- tive, and principal items are to be reconciled. Enter "2" if only classi- fied items are to be reconciled. If none of these categories apply, leave blank, in which case, items will be selected for reconciliation without regard to popularity or special control codes.	Inventory control register.
22-27	Leave blank.	--
28-42	Enter the first sequential stock number of the inventory lot.	Inventory control register.
43-57	Enter the last sequential stock number of the inventory lot.	Inventory control register.
58	Leave blank.	--
59-80	Leave blank.	--

RECONCILIATION LISTING

[illegible]

Appendix A-15
DEPOT RECONCILIATION TAPE
DATA PROCESSING STORAGE FORMAT

BIT	FIELD TYPE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																				
DATA	LOT NUMBER											ALPHA NUMBER										MARK										STORAGE ADDRESS										IN PORT ROUTING										TOLERANCE CODE										UNIT OF ISSUE										FEDERAL STOCK NUMBER										CONDITION CODE										BLANK										BALANCE REC CODE										RECORD MARK									

BIT	FIELD TYPE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100																																								
DATA	DOCUMENT IDENTIFICATION											COLLECTOR NUMBER										SUPPLY CODE										MANUFACTURING CODE										DIPOUT ROUTING										TOLERANCE CODE										QUANTITY										FEDERAL STOCK NUMBER										CONDITION CODE										DATE POSTED TO										DIPOUT RECORD										PARTIAL RECAPIT										DETAIL RECORD CODE										RECORD MARK									

BIT	FIELD TYPE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
DATA																																																																																																					

BIT	FIELD TYPE	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
DATA																																																																																																					

FILE NAME: DEPOT RECONCILIATION TAPE
RECORD LENGTH: 54
BLOCKING FACTOR: 540

PICP INVENTORY RECONCILIATION TAPE
DATA PROCESSING STORAGE FORMAT

[illegible]

Appendix A-21

AMC FORM 1251 (PHYSICAL INVENTORY PERFORMANCE
REPORT)

APPLICATION: AMC depots.

USE: Used by depots to report physical inventories
accomplished.

AMC Form 1251 (Physical Inventory Performance Report) will
be prepared as follows:

a. Report period. Enter the quarter of the fiscal year
covered by the report.

b. From. Enter the name and address of the installation
submitting the report.

c. Column a. Enter the symbol assigned by NICP's to
identify the inventory lots physically inventoried.

d. Column b. Enter "I" for Sample, "II" for Complete,
and the popularity group code (appendix B-1) if applicable.

e. Column c. Enter the total number of Federal stock
numbers assigned to each inventory lot.

f. Column d. Enter the total number of Federal stock
numbers inventoried during the report period. (Sample or
complete inventories begun during the report period and not
completed will be reported the following quarter.)

g. Column e. Enter the extended dollar value of stock
numbers indicated in column d.

h. Column f. Enter the number of major variance adjust-
ments processed to custodial records.

i. Column g. Enter the gross dollar value of the major
variance adjustments indicated in column f.

j. Column h. Enter the accuracy level determined for
the inventory lot.

$$100 - \frac{\text{major discrepancies} \times 100}{\text{items inventoried}}$$

k. Line 16. Enter the totals of columns d, e, f, and g.

Appendix A-21

AMC FORM 1251 (PHYSICAL INVENTORY PERFORMANCE
REPORT)--Continued

1. Remarks. Summarize category III inventory requests received during the report period by purpose (management code) and accountable activity and enter in this block.

Appendix A-22

AMC FORM 1638 (NICP REPORT OF PHYSICAL INVENTORY)

APPLICATION: NICP's.
 USE: By NICP's to report results of physical inventories performed.

<u>Block</u>	<u>Explanation</u>
REPORT PERIOD	Enter the quarter of the fiscal year covered by the report.
REPORTS CONTROL SYMBOL	Enter the assigned reports control symbol.
TO	Enter the activity receiving the report.
FROM	Enter the activity submitting the report.
DEPOT	Enter the depots with which physical inventories were reconciled during the report period.
LOT NUMBER	Enter the lot numbers of inventories reconciled during the report period. (Reconciliation cycles begun during the report period and not completed will be reported the following quarter.)
LOT SIZE	Enter the number of Federal stock numbers included in each inventory lot.
EXTENDED DOLLAR VALUE OF LOT	Enter the extended dollar value of stock in each inventory lot.
NUMBER OF STOCK NUMBERS ADJUSTED	Enter the total number of adjustments made as a result of reconciliation of each inventory lot.
DOLLAR VALUE GAIN	Enter the extended dollar value of adjustment increases made as a result of reconciliation of each inventory lot.

Appendix A-22

AMC FORM 1638 (NICP REPORT OF PHYSICAL
INVENTORY)--Continued

<u>Block</u>	<u>Explanation</u>
DOLLAR VALUE LOSS	Enter the extended dollar value of adjustment decreases made as a result of reconciliation of each inventory lot.
ADJUSTMENT DOLLAR VALUE	Enter the gross extended dollar value of all adjustment actions made as a result of reconciliation of each inventory lot.

Appendix A-24

RECONCILIATION IN-FLOAT DOCUMENTATION (PCM-EQUIPPED DEPOTS)

<u>Depot</u>	<u>Indicator</u>	<u>Type transaction</u>		<u>Explanation</u>	<u>Adjustment to input count card</u>
		<u>Debit</u>	<u>Credit</u>		
B	B	X		Reconciled.	No action.
B	A	X		In transit to NICP.	Minus.
B	-	X		NICP reject.	Minus.
A	A	X		Reconciled.	No action.
A	B	X		Not in bin.	Plus.
A	-	X		NICP reject.	No action.
A	B		X	Not withdrawn from stock.	Minus.
A	A		X	Reconciled.	No action.
A	-		X	Prior to NICP cutoff.	Minus.
A	-		X	Telephone Reqn.	No action.
B	B		X	Reconciled.	No action.
B	A		X	Telephone Reqn.	Plus.
B	-		X	Prior to NICP cutoff.	No action.
B	-		X	Telephone Reqn.	Plus.

Legend

A = After.

B = Before.

- = No record.

Credit transaction = A5_, D9_.

Debit transaction = D4_, D6_, D8_.

Notes. 1. The date recorded in card columns 62 through 64 of the receipt or adjustment transaction (master data records) will be an additional check to determine "before" or "after" inventory. These dates will further identify depot actions.

2. The transaction date recorded in the NICP master data records will be an additional check to determine "before" or "after" inventory status of issues. The depot did not furnish a record of this transaction.

Appendix A-25

AMC FORM 1635 (INVESTIGATION REQUEST/TRANSACTION HISTORY)

1. Section A--Investigation request.

<u>Block legend</u>	<u>Explanation</u>
1. Federal stock number (FSN)	Enter the FSN or part number of the item.
2. Unit of issue (U/I)	Enter the standard two-letter abbreviation for the unit of issue.
3. Unit price (U/P)	Enter the unit price of the item.
4. Accountable routing identifier (RI) code	Enter the RI code of the accountable activity.
5. Storage RI code	Enter the RI code of the storage activity.
6. Nomenclature	Enter the item nomenclature.
7. Physical security classification	Enter the physical security classification of the item.
8. Special control item code	Enter the code designation as "regulated," "principal," "sensitive," or combinations thereof.
9. Reference	Enter the document number associated with adjustment, report of survey, or materiel release denial. Enter other specific data to indicate purpose of request.
10. Asset Availability/ Count Data	
a. Owner/purpose (O/P) code	Enter the O/P code associated with the balance on hand when balances are segmented in this manner.
..	
tion code	Enter the condition code associated with the balance on hand.

Appendix A-25

AMC FORM 1635 (INVESTIGATION REQUEST/TRANSACTION
HISTORY)--Continued

<u>Block legend</u>	<u>Explanation</u>
c. Date of last activity (DOLA)	Enter the DOLA associated with the balance on hand. When dates of last activity are maintained only for the condition code or only for the stock number, the date of last activity will be entered only once for the condition code or for the stock number.
d. Date of last inventory (DOLI)	Enter the DOLI of the item. When dates of last inventory are maintained by condition code, enter the date of the last inventory for each condition code.
e. Balance on hand	Enter the balance on hand for the condition code associated with the ownership/purpose code. When balances are not segmented by ownership/purpose code, enter the balance on hand for the condition code.
f. Physical count	Enter the physical count recorded for the condition code.
g. Difference	Enter the difference between the balance on hand and physical count for a condition code (sum of all ownership/purpose codes represented in the count) followed by a plus (+) or minus (-), as applicable, to indicate an inventory gain or loss.
h. Difference \$ value	Enter the computed dollar value of the difference quantity (difference quantity times unit price).

AMC FORM 1635 (INVESTIGATION REQUEST/TRANSACTION
HISTORY)--Continued

<u>Block legend</u>	<u>Explanation</u>
11. Remarks	Enter any remarks of an explanatory nature developed during the course of the investigation.
12. Requested by	For signature and organization of the requester.
13. Date	Enter the date of request.
2. <u>Section B--Transaction history.</u>	
<u>Block legend</u>	<u>Explanation</u>
14. Transaction date	Enter the Julian date from the transaction register on which the transaction occurred commencing with the date of the last activity for the condition code and, when applicable, the ownership/purpose code.
15. Document number	Enter the document number for the transaction from the transaction register.
16. Codes	
a. Ownership/purpose code	Enter the ownership/purpose code associated with the transaction. When transactions recorded on the form are confined to a single ownership/purpose code, the entry will be made only once.
b. Condition code	Enter the condition code associated with the transaction. When the transaction recorded on the form is confined to a single condition code, the entry will be made only once.
c. Document identifier code	Enter the document identifier code for the transaction from the transaction register.

Appendix A-25

AMC FORM 1635 (INVESTIGATION REQUEST/TRANSACTION
HISTORY)--Continued

<u>Block legend</u>	<u>Explanation</u>
d. Management code	Enter the appropriate management code for the transaction from the transaction register, where indicated.
17. Quantity	
a. Debit (+) quantity	Enter the quantity from the transaction register when the transaction is a debit transaction.
b. Credit (-) quantity	Enter the quantity from the transaction register when the transaction is a credit transaction.
c. Closing balance quantity	Enter the closing balances from the transaction register. When multiple transactions occur on a single date only, the final closing balance will be entered for a given condition code within ownership/purpose.
18. Reversal	Enter an "X" for any transaction which is a reversal of a previously posted transaction.
19. Federal stock number	Enter the Federal stock number or part number of the item.
20. Storage RI code	Enter the RI code of the storage activity.
21. Prepared by	For signature of the person preparing the transaction history.
22. Date	Enter the date the transaction history is prepared.

Appendix B

CODES

Appendix B-1

POPULARITY GROUP CODES

1. Purpose. Popularity group codes are used to denote the relative popularity of minor secondary and repair parts as defined in AR 710-45.

2. Development. The popularity group code is arrived at as a result of a correlation between demand frequency codes and sales range codes as follows:

a. Demand frequency codes.

<u>Demand frequency code</u>	<u>Average quarterly demand</u>	<u>Popularity</u>
A	50 and over	HIGH
B	20 through 49	MEDIUM
C	0 through 19	LOW

b. Sales range codes.

<u>Sales range code</u>	<u>Forecast annual sales range</u>	<u>Popularity</u>
A	\$25,000.01 and over	HIGH
B	\$ 2,500.01 to 25,000	MEDIUM
C	.01 to \$2,500	LOW

c. Correlation and popularity group codes.

<u>Demand frequency code</u>	<u>Sales range code</u>	<u>Popularity group (correlation)</u>	<u>Popularity group code</u>
A	A	HIGH	0
A	B	HIGH	1

Appendix B-1

POPULARITY GROUP CODES--Continued

<u>Demand frequency code</u>	<u>Sales range code</u>	<u>Popularity group (correlation)</u>	<u>Popularity group code</u>
A	C	HIGH	2
B	A	HIGH	3
C	A	HIGH	4
B	B	MEDIUM	5
B	C	MEDIUM	6
C	B	LOW	7
C	C	LOW	8

3. Usage. Inventory lot formation listings (app A-2) prepared by ADP-equipped depots will reflect the number of items, by manager and Federal supply classification stored at the depot, having high, medium, or low popularity. These categories will be identified on the inventory lot formation listings as type lot code A, B, or C. Items with no popularity group code assigned will be identified on the inventory lot formation listing by type lot code D. See appendix B-8 for type lot codes.

Appendix B-2

MANAGEMENT CODES

The following management codes are applicable for use in card column 72 of the physical inventory documentation prescribed in this regulation.

<u>Code</u>	<u>Document identifier code</u>	<u>Transmitted From - To</u>	<u>Explanation</u>
A	DKA	The storage activity to the accountable supply distribution activity (ASDA).	This inventory count is the result of stock found after submission of an out-of-stock denial.
B	DJA	ASDA to storage activity.	Inventory count requested as a result of a zero balance record in all serviceable conditions, 15 days have elapsed since the date of last activity (DOLA), a back order is established, and 90 days have elapsed since the date of last inventory (DOLI).
	DKA	Storage activity to ASDA.	Count accomplished.
C	DJA	ASDA to storage activity.	Inventory count requested as a result of location audit discrepancy.
	DKA	Storage activity to ASDA.	Count accomplished.
D	DJA	ASDA to storage activity.	Count requested for supply control study.
	DKA	Storage activity to ASDA.	Count accomplished.

Appendix B-2

MANAGEMENT CODES--Continued

<u>Code</u>	<u>Document identifier code</u>	<u>Transmitted From - To</u>	<u>Explanation</u>
E	DJA	ASDA to storage activity.	Inventory count requested as a result of a storage denial.
	DKA	Storage activity to ASDA.	Count accomplished.
K	DJA	ASDA to storage activity.	Request a listing be furnished, identified to this document number, of serial number(s) involved in this inventory.
	DKA	Storage activity to ASDA.	Count furnished, listing of serial numbers involved in this inventory have been (will be) mailed.
M	DJA	ASDA to storage activity.	Recount requested.
Z	All document identifier codes.	--	Exception data are entered in the remarks block or will follow by separate correspondence.

Appendix B-3

DOCUMENT IDENTIFIER CODES

Document identifier codes to be used in physical inventory documentation prescribed in this regulation are as follows:

<u>Code</u>	<u>Document title</u>	<u>Explanation</u>
BM3	Storage item data change document	Used to broadcast popularity group codes (as applies to this regulation).
DJA	Physical inventory request document	Used by ASDA's to request physical inventories.
DKA	Physical inventory count document	Used to report category III physical inventory counts to ASDA's.
ZNJ (internal)	Inventory request card	Used to establish inventory controls, request count cards, and delete lots from inventory at ADP-equipped depots.
ZNG (internal)	Inventory research card	Output by computer at ADP-equipped depots to identify errors in input documentation or situations which preclude normal processing of documentation.
ZNK (internal)	Inventory count card	Used to accomplish the physical count of stocks in the storage location.
ZJA (internal)	Physical inventory request document	Used internally within depots to request inventory documentation.
ZKA (internal)	Physical inventory count document	Used internally within depots to reflect total quantities counted within each stock number and condition code and to update the item DOLI in custodial records.

Appendix B-3

DOCUMENT IDENTIFIER CODES--Continued

<u>Code</u>	<u>Document title</u>	<u>Explanation</u>
Z8P (internal)	Materiel adjustment document	Used to effect an adjustment increase to custodial records as a result of physical inventory.
Z9L (internal)	Materiel adjustment document	Used to effect an adjustment decrease in custodial records as a result of physical inventory.
ZNR (internal)	Inventory reconciliation request card	Used to establish reconciliation controls at ADP-equipped depots.

Appendix B-4

TYPE INVENTORY CODES

1. These codes are used to identify the type of physical inventory being conducted or requested.
2. Code assignments are as follows:

<u>Code</u>	<u>Explanation</u>
A	Cyclic inventory (complete).
B	Cyclic inventory (statistical sampling).
C	Special inventory (all condition codes).
D	Special inventory (specified condition codes).

Appendix B-5

SPECIAL CONTROL ITEM CODES

These codes identify items afforded special controls. Code assignment is as follows:

<u>Code</u>	<u>Explanation</u>
1	Regulated item.
2	Principal item.
3	Sensitive item.
4	Regulated and principal item.
5	Sensitive and regulated item.
6	Sensitive and principal item.
7	Explosive hazardous.
8	Radioactive.
Ø	None of the above.

Appendix B-6

ITEM PHYSICAL SECURITY CLASSIFICATION CODES

These codes indicate the category or grade assigned to the item denoting the degree of danger to national security that would result from its unauthorized disclosure and for which standards, physical handling, storing, and issuing have been established. Code assignments are as follows:

<u>Code</u>	<u>Explanation</u>
U	Unclassified.
M	CONFIDENTIAL--MODIFIED HANDLING AUTHORIZED.
A	CONFIDENTIAL--FORMER RESTRICTED DATA.
B	CONFIDENTIAL--RESTRICTED DATA.
C	CONFIDENTIAL.
S	SECRET.
G	SECRET--FORMER RESTRICTED DATA.
H	SECRET--RESTRICTED DATA.
T	TOP SECRET.
K	TOP SECRET--FORMER RESTRICTED DATA.
L	TOP SECRET--RESTRICTED DATA.

Appendix B-7

OWNERSHIP/MANAGER ROUTING IDENTIFIER CODES

Ownership codes are used in constructing inventory lot numbers to identify the lot to the originating NICP. A cross-reference of the ownership code, manager routing identifier code, and the activity address is as follows:

<u>Routing identifier code</u>	<u>Ownership code</u>	<u>Activity address</u>	<u>Activity</u>
M__	A	MARINE	U.S. Marine Corps
A12	B	A58202	U.S. Army Mobility Equip- ment Command
B69	C	A2568F	U.S. Army Medical Mate- riel Agency
F__	D	FLYERS	Department of the Air Force
A35	E	A26230	U.S. Army Support Center, Richmond
AP5	F	A2552D	U.S. Army Support Center, Philadelphia
B16	G	A25656	U.S. Army Electronics Command, Directorate for Materiel Readiness
B17	H	A58737	U.S. Army Aviation Mate- riel Command
N__, P__, Q__, or R__	J	NAVIES	Department of the Navy
B24	K	A56624	U.S. Army Tank-Automotive Command
B64	L	A3168R	U.S. Army Missile Command
B14	M	A5250B	U.S. Army Weapons Command
B54	N	A5245K	U.S. Army Ammunition Procurement and Supply Agency
B46	P	A7385B	U.S. Army Security Agency

Appendix B-7

OWNERSHIP/MANAGER ROUTING IDENTIFIER CODES--Continued

<u>Routing identifier code</u>	<u>Ownership code</u>	<u>Activity address</u>	<u>Activity</u>
A95	R	A74650	U.S. Army Petroleum Center
A45	S	A5209B	U.S. Army Area Support Command Subsistence Office
BF4	T	A2523J	U.S. Army Class Management Activity, Industrial Supplies
AKZ	V	A56624	U.S. Army Tank-Automotive Command (for integrated managed items)
H__	Y	OTHERD	Other Defense
Z__	Z	CSTGRD	Coast Guard
G__	0	GENSER	General Services Administration
S9I	1	SC0500	Defense Industrial Supply Center
S9S	2	SC0300	Defense Subsistence Supply Center
S9M	3	SC0200	Defense Medical Supply Center
S9R	4	SE4300	Defense Industrial Plant Equipment Center
S9G	5	SC0400	Defense General Supply Center
S9T	6	SC0100	Defense Clothing and Textile Supply Center
S9E	7	SC0900	Defense Electronics Supply Center
S9C	8	SC0700	Defense Construction Supply Center

Appendix B-8

TYPE LOT CODES

1. Items of supply are grouped into lots on the inventory lot formation listing (app A-2) by popularity, physical security classification, and special control item codes and identified by the type lot codes as follows:

<u>Type lot code</u>	<u>Lot composition</u>
A	High popularity items assigned popularity group codes 0 through 4.
B	Medium popularity items assigned popularity group codes 5 and 6.
C	Low popularity items assigned popularity group codes 7 and 8.
D	Items having no popularity group code assigned.
1	Items assigned special control item codes 1 through 8 (app B-5).
2	Items assigned a physical security classification code other than U (app B-6).

2. If items are controlled or classified, they will be grouped into type lot code 1 or 2 without regard to popularity.

3. Items both classified and controlled will be grouped into type lot code 1.

Appendix C

TABLES

Appendix C-1

SAMPLE SELECTION TABLES

Table 1. Confidence limits $\pm .03$.
(For use in selecting sample size for initial sample.)

Error rate	Lot size										Accuracy level
	500	1000	2000	3000	4000	4500	5000	5500	6000	7000	
.15	261	352	428	461	479	486	491	495	497	505	.85
.14	253	339	409	439	455	461	466	470	473	479	.86
.13	246	326	389	416	431	436	440	444	447	452	.87
.12	237	311	368	392	405	410	413	417	419	423	.88
.11	228	295	346	367	378	382	386	388	391	394	.89
.10	217	278	322	341	350	354	357	359	361	364	.90
.09	206	269	298	313	321	324	327	329	330	333	.91
.08	193	239	272	284	291	294	296	297	299	301	.92
.07	179	217	244	254	260	262	263	265	266	267	.93
.06	162	194	215	223	227	229	230	231	231	233	.94
.05	144	169	184	190	193	194	195	196	196	197	.95
.04	123	141	151	155	157	158	159	159	160	160	.96
.03	99	110	117	119	120	121	121	121	122	122	.97
.02	72	77	80	81	82	82	82	82	83	83	.98
.01	39	41	41	42	42	42	42	42	42	42	.99

Table 2. Confidence limits $\pm .04$.
(For use in selecting sample size for post inventory
sampling and scheduled interval sampling.)

Error rate	Lot size										Accuracy level
	500	1000	2000	3000	4000	4500	5000	5500	6000	7000	
.15	190	234	265	278	284	287	288	290	291	293	.85
.14	183	224	253	264	270	272	273	275	276	278	.86
.13	176	214	239	244	254	256	258	259	260	261	.87
.12	168	202	225	234	238	240	241	242	243	245	.88
.11	160	190	210	218	222	223	225	225	226	227	.89
.10	151	178	195	202	205	206	207	208	209	210	.90
.09	141	164	179	185	187	188	189	190	190	191	.91
.08	131	150	162	167	169	170	171	171	172	172	.92
.07	119	135	145	149	150	151	152	152	152	153	.93
.06	107	119	127	130	131	131	132	132	132	133	.94
.05	93	102	108	110	111	111	112	112	112	112	.95
.04	78	84	88	89	90	90	91	91	91	91	.96
.03	61	65	68	68	69	69	69	69	69	69	.97
.02	43	45	46	46	47	47	47	47	47	47	.98
.01	23	23	23	24	24	24	24	24	24	24	.99

Appendix C-1

SAMPLE SELECTION TABLES--Continued

USE: To select sample sizes for category I (sample evaluation) inventory lots.

EXPLANATION:

1. Determine the type sample as follows:

a. Initial sampling. Select the sample size for all lots using table 1. The assumed or expected error rate to be used will be based on previous experience. If sufficient statistics are not available to make a determination, the sample size will be selected for an assumed or expected error rate of 10 percent.

b. Post inventory sampling. (Subsequent to complete inventory, if deemed necessary.) Select the sample size using table 2. The expected residual error rate will be 3 percent.

c. Scheduled interval sampling. Select the sample size using table 2. Use the known error rate determined in the previous sample and recorded in the inventory control register

2. Determine the sample size by applying the expected error rate to ensure a given quality with 95 percent confidence. For example, if a lot size of 5,000 has been established and the error rate is expected to be 10 percent, and the confidence limit of plus or minus 3 percent is desired, refer to table I and find the lot size range at the top of the table (5,000 in the example). Proceed down the column directly under this lot size to the sample size opposite the expected error rate (10 percent in the example) indicated along the left side of the table. This number (357 in the example) is the required sample size.

